

Mr. ROBINSON of Arkansas. I move, in accordance with the terms of Concurrent Resolution 24, that the Senate do now adjourn sine die.

The motion was agreed to; and (at 1 o'clock and 12 minutes a.m., Friday, June 16, 1933) the Senate adjourned sine die.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 15, 1933

(Legislative day of Wednesday, June 14, 1933)

The House met at 10 o'clock a.m., on the expiration of the recess.

Mr. BYRNS. Mr. Speaker, I move that the House stand in recess, subject to the call of the Chair. I want to make this statement to the membership: It is expected that the House will be called back not before 1 o'clock and not later than 1:30. I also want to say this: The Democrats will have a conference on this floor within 15 minutes, and I hope that all Democratic Members will stay here.

The SPEAKER. The question is on the motion of the gentleman from Tennessee.

Mr. SNELL. Mr. Speaker, I beg the pardon of the House for being a half minute late, but I should like to ask the gentleman from Tennessee what is the program?

Mr. BYRNS. The program is that some of the Democrats wish to have a conference relative to this measure that is pending before the House. The idea is to have a conference within 15 minutes on the floor of the House, so that Democrats who wish to may discuss it. I have moved that the House take a recess at the call of the Chair, not to be reconvened before 1 o'clock, and not later than 1:30. The Chair will give 15 minutes' notice by the ringing of the bells.

The motion of Mr. BYRNS was agreed to.

Accordingly (at 10 o'clock and 5 minutes a.m.) the House stood in recess at the call of the Chair.

AFTER THE RECESS

The recess having expired, at 2 o'clock the House was called to order by the Speaker.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 3344. An act to amend section 14, subdivision 3, of the Federal Farm Loan Act; and

H.R. 5909. An act to transfer Bedford County from the Nashville division to the Winchester division of the middle Tennessee judicial district.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H.R. 6034, entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes;" and that the Senate agrees to House amendment to Senate amendment no. 2 to said bill.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J.Res. 63. Joint resolution temporarily suspending section 18 and portions of section 2 of the Executive order of June 10, 1933, relating to the organization of executive agencies.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOODRUM. Mr. Speaker, I call up the conference report on the bill H.R. 5389, the independent offices appropriation bill, and I ask unanimous consent that the statement be read in lieu of the report.

Mr. GOSS. Mr. Speaker, I reserve all points of order on the conference report.

PERSONAL PRIVILEGE

Mr. FISH. Mr. Speaker, I rise to a question of personal privilege. I have in my hand a letter from the Public Printer declining to print in the CONGRESSIONAL RECORD some of my remarks. The Speaker pro tempore yesterday ruled as follows:

The SPEAKER pro tempore. The Chair will rule that the gentleman from New York under a previous order of the House has that permission.

I asked for extra permission, if it be necessary, in order to include two speeches. I still have that permission, according to the ruling of the Chair, and I should like the Speaker to rule, so that this can go into the RECORD.

Mr. BANKHEAD. A point of order, Mr. Speaker. I understood the gentleman to rise to a question of personal privilege. Is that correct?

Mr. FISH. It is.

Mr. BANKHEAD. I make the point of order that the matter stated is not a question of personal privilege.

The SPEAKER. The Chair sustains the point of order.

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5389) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 9, 25, 26, and 32.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 12, 22, 23, 24, 27, 28, 29, 31, 35, 37, 38, 39, 40, 41, 42, and 48, and agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: Restore the matter stricken out by said statement, amended to read as follows: "and notwithstanding any provisions of law to the contrary, the Administrator is authorized to expend during the fiscal year 1934 not to exceed \$2,000 for actuarial services by contract, without obtaining competition, at such rates of compensation as he may determine to be reasonable"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In line 8 of the matter inserted by said amendment strike out "\$13,950" and insert in lieu thereof "\$13,110"; and in the same line strike out "\$1,800" and insert in lieu thereof "\$1,530"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: Omit the matter stricken out and inserted by said amendment; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: Omit the matter inserted by said amendment and restore the matter stricken out amended to read as follows:

"Sec. 10. The President is authorized, in his discretion, to suspend the extra pay or reduce the rate of extra pay allowed to commissioned officers, warrant officers, and enlisted men of the Army, Navy, Marine Corps, and Coast Guard while on flying duty, and to distinguish between de-

greed of hazard in various types of flying duty and make different rates of extra pay applicable thereto."

And the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 7, 10, 11, 13, 14, 15, 16, 17, 18, 19, 21, 30, 34, 43, 44, 45, 46, and 47.

C. A. WOODRUM,
JOHN J. BOYLAN,
W. W. HASTINGS,
J. P. BUCHANAN,

Managers on the part of the House.

CARTER GLASS,
JAMES F. BYRNES,
RICHARD B. RUSSELL,
FREDERICK HALE,
FREDERICK STEIWER,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5389) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1933, and for other purposes, submit the following statement of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

The following amendments are in adjustment of totals, correction of section numbers, and of citations: Nos. 4, 23, 24, 27, 28, 31, 37, 38, 40, 41, 42, and 48.

On no. 1: Appropriates \$129,000, as provided by the Senate, instead of \$112,000, as provided by the House, for the American Battle Monuments Commission.

On nos. 2 and 3: Appropriates \$150,000, as proposed by the Senate, for holding field hearings in rate cases by the Interstate Commerce Commission.

On no. 5: Makes the appropriation for construction of the Supreme Court Building available for the "completing" of same, as proposed by the Senate, instead of "continuing" thereof as proposed by the House.

On no. 6: Strikes out the House provision, as proposed by the Senate, fixing the maximum of salaries which may be paid to any officer or employee of the United States Shipping Board or Merchant Fleet Corporation. The maximum in such cases is now fixed by the provisions of the Economy Act as continued for the fiscal year 1934.

On no. 8: Restores the provision, stricken out by the Senate, which authorizes the Administrator of Veterans' Affairs to procure actuarial services by contract, without obtaining competition, at rates of compensation to be determined by him, amended so as to limit expenditure for such purpose for the fiscal year 1934 to \$2,000.

On no. 9: Provides \$5,000, as proposed by the House, instead of \$15,000, as proposed by the Senate, for experimental purposes to determine the value of certain types of treatment, by the Veterans' Administration.

On no. 12: Strikes out the House provision that the amount to be paid for Navy pensions from the Navy pension fund shall be accounted for separately.

On no. 20: Appropriates \$13,110, instead of \$13,950 as proposed by the Senate, for enforcement of the black bass law, and authorizes \$1,530 thereof for personal services in the District of Columbia, instead of \$1,800 as proposed by the Senate.

On no. 22: Strikes out the House provision limiting purchases under the appropriations in this act to articles of the growth, production, or manufacture of the United States. This subject is covered by permanent statute.

On nos. 25 and 26: Strikes out the Senate provision which includes the District of Columbia Appropriation Act and the employees of the government of the District of Columbia in the general prohibition against salary increases resulting from reallocations of positions. This prohibition has been specifically included in the District of Columbia appropriation bill as passed by Congress.

On no. 29: Retains the Senate provision requiring 60 days' notice and opportunity for public hearing to parties to contracts proposed to be modified or canceled.

On no. 32: Strikes out the Senate provision that any employee to whom the Civil Service Retirement Act applies, who has an aggregate period of service of at least 30 years, shall, upon voluntary retirement from the service, be entitled to full annuity irrespective of the age of such employee.

On no. 33: Strikes out the House provision that, in making reductions of personnel, due regard shall be given to the apportionment of appointments as provided in the Civil Service Act and also strikes out the Senate provision that reductions of personnel shall be made with regard both to efficiency and to apportionment of appointments by States as now provided by law and that when new appointments are made hereafter under Civil Service regulations and there are persons on the eligible list who are residents of States which at the time are below the quota of Civil Service appointments allotted such States by law, preference in selection and appointment shall be given to those eligible persons who are residents of States having less than their Civil Service quota.

On no. 35: Strikes out the House provision authorizing the President to furlough at half pay officers of the Army, Marine Corps, Public Health Service, Coast Guard, or Coast and Geodetic Survey.

On no. 36, pertaining to extra flying pay: Strikes out the Senate language and retains the House language, amended by the elimination of the proviso limiting such extra pay to a maximum of \$1,440.

On no. 39: Retains the Senate provision making the officers and employees of the Philippine Islands subject to the reduction in pay of 15 percent which has been provided in the case of employees of the insular possessions of the United States.

IN DISAGREEMENT

The committee of conference have not agreed with respect to the following amendments:

On no. 7: Authorizing not to exceed \$1,000,000 in payments to State institutions for care of veterans suffering from neuropsychiatric ailments.

On no. 10: Authorizing domiciliary care to men discharged from the Army, Navy, Marine Corps, or Coast Guard for disabilities incurred in line of duty where they are suffering with permanent disabilities, tuberculosis, or neuropsychiatric ailments, and medical and hospital treatment for diseases or injuries.

On no. 11: Appropriating \$231,730,000, as proposed by the House, and \$401,730,000, as proposed by the Senate, for pensions, gratuities, and allowances to veterans and their dependents.

On no. 13: Authorizing the Attorney General to agree to judgments rendered pursuant to compromise in any suit pending on March 20, 1933, and on the date of the enactment of this act, brought under the provisions of the World War Veterans' Act, 1924, as amended, on a contract of yearly renewable term insurance.

On nos. 14 and 15: Appropriates \$1,000,000 for hospital treatment for veterans irrespective of service connection of ailment.

On no. 16: Appropriating the unexpended balance of the appropriation "Fourteenth Annual Convention of French Veterans of the World War, Washington, D.C., 1933", for all expenses (including transportation to bona-fide residents) incurred in connection with indigent veterans in attendance at the convention of the rank and file organization of World War veterans held in Washington, D.C., during the month of May 1933.

On nos. 17 and 18: Being the total for the Veterans' Administration, military services, and the grand total for the Veterans' Administration.

On no. 19: Appropriating \$48,500 for expenses of participation by the United States in the International Institute of Agriculture at Rome, Italy.

On no. 21: Being the total of the bill.

On no. 30: Authorizing and directing the Postmaster General to suspend payments upon any air mail or ocean mail contract where the payee pays any salary, or salary combined with bonus, to any officer, agent, or employee, in excess of \$17,500.

On no. 34: Provides for payment of full annuity to persons coming under the provisions of the Canal Zone Retirement Act if retired prior to July 1, 1935, voluntarily or involuntarily, after 30 years' service, less 5 percent until such person shall have reached the retirement age.

On no. 43: Abolishing one of the existing positions of Assistant Attorney General and creating a new position of Assistant Solicitor General.

On no. 44, classification of field service: Provides that where a position has been adjusted or allocated to a grade with a maximum salary below that received by the incumbent at the time of the allocation the rate of pay for such position prior to the adjustment may be continued so long as the position is held by the incumbent occupying it at the time of such allocation.

On no. 45: Authorizing modification of contract for the construction of the Long Beach, Calif., post office so as to afford proper relief to the contractor for losses sustained by him on account of the earthquake.

On no. 46: Authorizing the Reconstruction Finance Corporation to make loans aggregating not to exceed \$50,000,000 to or for the benefit of drainage districts, irrigation districts, and similar districts organized under the laws of any State.

On no. 47: Limiting to 25 percent reductions in service-connected disability compensation of any World War veteran or the pension of any veteran of a war prior to the World War, or the pension of any widow and/or dependents of such veterans.

C. A. WOODRUM,
JOHN J. BOYLAN,
W. W. HASTINGS,
J. P. BUCHANAN,

Managers on the part of the House.

Mr. FISH. Mr. Speaker, I rise to a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FISH. I want to know if I have not the right under the general leave to print my own remarks to incorporate in the RECORD a speech made by me entitled "Republican Viewpoint of the Economic Conference"?

The SPEAKER. The Chair thinks that under the leave granted, and he is so advised, any Member can insert his own remarks, but to print anything else he has to have the consent of the House.

Mr. GOSS rose.

Mr. WOODRUM. Mr. Speaker, I do not yield to the gentleman from Connecticut.

Mr. GOSS. But I am ready to make the point of order that I reserved.

The SPEAKER. The gentleman will state his point of order.

Mr. GOSS. I make the point of order against the report of the conferees in respect to the language contained in Senate amendment numbered 36, which in the bill as it passed the House was numbered section 10. As the bill left the House, it contained the following language:

SEC. 10. The President is authorized to place on furlough such officers of the Army, Marine Corps, Public Health Service, Coast Guard, or Coast and Geodetic Survey as he, in his discretion, shall deem desirable. While on furlough, officers shall receive one half the pay to which they would otherwise have been entitled, but shall not be entitled to any allowance except for travel to their homes.

The Senate inserted the following language as an amendment to the House bill:

SEC. 10. That under the provisions of section 20 of the act approved June 10, 1922, as amended (U.S.C., title 37, sec. 29), no additional compensation shall be allowable or paid to any person in the Army, Navy, or Marine Corps, or Army Reserve Corps, or National Guard, or the Naval Reserve, or Marine Corps Reserve, or the Coast Guard in consequence of such statute as amended at a rate per annum in excess of the maximum prescribed for a lieutenant colonel in the Army.

The conferees, according to the report, have agreed to the following language, as found on page 2 of the report:

SEC. 10. The President is authorized, in his discretion, to suspend the extra pay or reduce the rate of extra pay allowed to commissioned officers, warrant officers, and enlisted men of the Army, Navy, Marine Corps, and Coast Guard while on flying duty, and to distinguish between degrees of hazard in various types of flying duty and make different rates of extra pay applicable thereto.

The language has been changed, and I make the point of order that the conferees have exceeded their authority in bringing back the amendment which they have agreed to.

Mr. WOODRUM. Mr. Speaker, I make the point of order that the gentleman's point of order comes too late.

Mr. GOSS. Oh, I reserved the point of order on this when the gentleman asked unanimous consent to read the statement in lieu of the report.

Mr. BLANTON. O Mr. Speaker, the language agreed upon by the conferees is entirely in order.

Mr. GOSS. I prefer to have the Speaker make the ruling instead of the gentleman from Texas.

The SPEAKER. Does the gentleman from Virginia desire to be heard?

Mr. WOODRUM. Mr. Speaker, I submit the matter to the Speaker.

The SPEAKER. The Chair is ready to rule. The point of order is overruled. The Chair thinks the conferees have not exceeded their authority.

Mr. WOODRUM. Mr. Speaker, I do not know of anything controversial in the conference report which has been agreed to, to which the conferees have presented the full agreement. Unless there is some particular question to be asked about it, I am disposed to move the previous question.

Mr. KVALE. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. KVALE. With reference to the voluntary optional retirement.

Mr. WOODRUM. The section relating to retirement is reported in the conference report exactly as it left the House. The Senate added the word "voluntary", which gave the employee the right to retire after 30 years' service. The conferees struck out the word "voluntary."

Mr. KELLER. With what effect?

Mr. WOODRUM. It gives the President the right, in his discretion, to place on retirement any employee who has had 30 years' service in the Government.

Mr. SNELL. As I have looked over the general conference report, there are no controversial matters in it?

Mr. WOODRUM. There is nothing controversial in it.

Mr. DIRKSEN. I should like to be heard on amendment number 7, which seems to be in disagreement.

Mr. WOODRUM. We will come to that later. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment no. 7: Page 44, line 6, strike out "\$85,273,000" and insert in lieu thereof "\$86,273,000: *Provided*, That not to exceed \$1,000,000 of this amount may be used for payments to State institutions caring for and maintaining veterans suffering from neuropsychiatric ailments, when found to be to the best interest of the United States."

Mr. WOODRUM. Mr. Speaker, I move to recede and concur with an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Mr. WOODRUM moves that the House recede from its disagreement to the amendment of the Senate no. 7, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "\$85,773,000: *Provided*, That when found to be to the best interest of the United States, not to exceed \$500,000 of this amount may be used for payments to State institutions caring for and maintaining veterans suffering from neuropsychiatric ailments who are in such institutions on the date of the enactment of this act."

Mr. WOODRUM. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, the congressional district in Illinois that has sent the distinguished Speaker of this House to Congress has a hospital for mentals—all sorts of people who are affected and who are commonly styled as lunatics. Among the thousands who are located there at the present time are 1,050 war veterans, who somehow have had that little slender cord that binds the present to the past and the present to the future torn away as a result of war service. They are the men for whom no armistice will ever be signed. If you could go to that hospital and see them looking vacuously into the distance, and know that until death shall write the final word for them the war will never have ended; when you realize that the whistles which blow and the bells that ring on Armistice Day will never be meant for them, I am sure you would vote to reinstate the amount of money to be spent for those men.

The State institutions have built up a therapeutic treatment for those veterans. There they make dolls and toys and rugs and all that sort of thing. Under existing conditions the Government of the United States pays to those hospitals a certain amount for every veteran who is there incarcerated. If we do not make adequate provision for them, we will ultimately take the 1,050 mentals away to a Veterans' Bureau hospital in northern Illinois, and the only thing they can do there is to sit behind a window that is barred from the outside and look vacuously into the distance, and there rot away in the agony and distress that was occasioned through service to democracy and to the flag and to the country.

I ask you Members of the House, is it not the fair thing to do to leave the \$1,000,000 appropriation in that bill instead of cutting it to \$500,000, so that the boys who are there now, and as I say, for whom no armistice will ever be signed, will have the right kind of therapeutic treatment? It is discretionary, in a sense, because there is a saving clause that it must be in the interest and welfare of the United States of America. I say to the Membership of this House that \$1,000,000 is certainly not too much for the shell-shockers, for the boys who rushed in at Chateau-Thierry, Saint Mihiel, and the Argonne, and who, because of the intense concussion of the 220- and 240-millimeter shells, had that little slender cord torn away that has robbed them of lucidity. I am asking the membership of this House to vote down the conferee's recommendation to cut that appropriation from \$1,000,000 to \$500,000, because it will be a sorry and a tragic day when you have to go back to your districts and say that after all the millions and billions which this Congress has spent, we have not got a single million dollars left over for the boys who paid the supreme sacrifice by giving up the most precious of all gifts—a sound mind—for the cause of democracy. I hope that this body will retain the \$1,000,000 appropriation for the shell-shocked and the mentals in the hospitals of this country. [Applause.]

Mr. KVALE. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. KVALE. Is not the gentleman also concerned about the limitation of time? The patients in these neuropsychiatric hospitals must be there at the date of the enactment of this act. That is something new. If we had realized it in time, I think a point of order could have been lodged against that limitation.

Mr. DIRKSEN. I believe that as far as the money is available, the Veterans' Bureau can pay under existing contracts that are now obtaining with the various States where these hospitals are located.

Mr. KVALE. If the gentleman will permit, I have in mind veterans now being juggled about and transferred and who might not be in State institutions at the time this law is enacted.

Mr. DIRKSEN. Like everything else, we will have to be partially dependent upon the charity and mercy of the Veterans' Bureau.

Mr. DOWELL. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. DOWELL. Under the language of this amendment, it is not necessary to spend the \$1,000,000 unless it is necessary?

Mr. DIRKSEN. Precisely.

Mr. DOWELL. And if it is not, certainly those men should not be denied the little amount that is appropriated in this amendment.

Mr. DIRKSEN. Right.

[Here the gavel fell.]

Mr. WOODRUM. Mr. Speaker, there is no difference of opinion among any of us as to the obligation of the Government to care for these men who are mentally ill, nor does the reduction or limitation placed in this amendment indicate any such purpose or intention. This amendment was placed in the bill in the Senate by the distinguished Senator from Illinois, our former colleague, Mr. Dieterich, and it was placed there after he called attention to the fact that Illinois, as well as several other States, had incurred quite a great deal of expense in providing and equipping very fine neuropsychiatric institutions.

May I call your attention to the fact that the Federal Government has—the Veterans' Administration has—neuropsychiatric institutions second to none in the world? There is one in Perry Point. There are others in various parts of the country; and under the terms of the Economy Act it was thought wise and economical to treat Veterans' Administration patients, as far as they might be able to treat them, in Veterans' Administration institutions and not go to State institutions or to private institutions and pay them high rates to treat patients when the Government already had facilities provided for such cases.

After it was called to the attention of the conferees that perhaps there were a few places where veterans have already been placed in these State institutions with their cases under treatment by specialists of those particular institutions, that perhaps it would not be for their welfare to move them into new environments and put them under the care of strange physicians, we put in here the amendment that the distinguished Senator who introduced it thinks is sufficient to care for all needed cases in State institutions where they are there at the present time.

Mrs. ROGERS of Massachusetts and Mr. DOWELL rose.

Mr. WOODRUM. I yield first to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I think also there is not a single vacant bed for nervous or mental cases in any of the N.P. veterans' hospitals. Am I not right?

Mr. WOODRUM. I yield to the gentleman from Iowa.

Mr. DOWELL. Is it not true that a great many of these mental cases are not now permitted in the Federal hospitals because there are no beds in those hospitals?

Mr. WOODRUM. I do not think that is true, I may say to the gentleman from Iowa.

Mr. DOWELL. I may say to the gentleman my information is—and I think I have it pretty correctly—that there are not beds sufficient in these hospitals to accommodate those who ought to be hospitalized.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. DIRKSEN. At the time this amendment was inserted on the Senate side there was a committee in a semi-official capacity representing the State of Illinois here in Washington, and while the definite amount that might be necessary is a matter of conjecture, it may run to a considerable amount. The \$500,000 that the committee carries may never be fully expended. On the other hand, if the expense exceeds \$500,000 and the money is not available, then these men who are receiving good therapeutic treatment will simply be relegated to the regional hospitals, where no such treatment at the present time is available. Mr. Hiller, who is an assistant to General Hines, told me that manifestly veterans in State hospitals would not re-

ceive the same kind of treatment in the regional hospitals at the present time.

Therefore it seems the money should be appropriated. It may never be expended, but I am anxious to see there is a sufficient amount appropriated that none of these veterans will be left in distress. Therefore I do not believe \$1,000,000 is too much.

Mr. WOODRUM. Mr. Speaker, I can only repeat to the gentleman from Illinois that after conferring with the Senator who introduced this amendment, and telling him of the action of the conferees, he was satisfied. We will be back here next January, and if it develops that more funds are needed they can be appropriated then. The gentleman knows it is not the policy of Congress to appropriate money that is not presently needed or for which there is not some indication that it will be needed.

It is the view of the Veterans' Administration that this amount of money will be amply sufficient to take care of all cases that may be put in a State institution.

Mr. DIRKSEN. When we appropriated the \$150,000,000 necessary for the Glass-Steagall bill the point was made during the discussion that we did not need all the money and that we would be back here in January, yet the entire amount was written into the bill.

Mr. DOWELL. And did we not, also, in the House, appropriate over \$3,000,000,000 that everyone knows cannot be used by January 1?

Mr. WOODRUM. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Virginia to concur with an amendment.

The question was taken.

Mr. DIRKSEN. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 10: On page 47, after line 14, insert "Provided further, That in addition to the pensions provided in this title the Administrator of Veterans' Affairs is hereby authorized under such limitations as may be prescribed by the President, and within the limits of existing Veterans' Administration facilities, to furnish to men discharged from the Army, Navy, Marine Corps, or Coast Guard for disabilities incurred in line of duty and to veterans of any war, including the Boxer rebellion and the Philippine insurrection, domiciliary care where they are suffering with permanent disabilities, tuberculosis, or neuropsychiatric ailments and medical and hospital treatment for diseases or injuries."

Mr. WOODRUM. Mr. Speaker, I move that the House recede from its disagreement to Senate amendment no. 10 and concur in the same with an amendment.

The Clerk read as follows:

Mr. WOODRUM moves that the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the matter inserted by such amendment insert the following: "Provided further, That section 6, title I, of the act entitled 'An act to maintain the credit of the United States Government', approved March 20, 1933, is hereby amended to read as follows:

"Sec. 6. In addition to the pensions provided in this title the Administrator of Veterans' Affairs is hereby authorized under such limitations as may be prescribed by the President, and within the limits of existing Veterans' Administration facilities, to furnish to men discharged from the Army, Navy, Marine Corps, or Coast Guard for disabilities incurred in line of duty and to veterans of any war, including the Boxer rebellion and the Philippine insurrection, domiciliary care where they are suffering with permanent disabilities, tuberculosis, or neuropsychiatric ailments and medical and hospital treatment for diseases or injuries."

Mr. WOODRUM. Mr. Speaker, this is the so-called "Tydings amendment" placed on the bill in the Senate with the consent of the administration which permits the hospitalization of peace-time veterans who have injuries or disabilities due to service.

It seems that under the provisions of the Economy Act since it has been carefully studied and is in practical operation it has been found that a veteran of the regular estab-

lishment having a service-connected disability could not be hospitalized. The Tydings amendment permits him to be hospitalized.

The motion is to recede and concur with an amendment. The House amendment only affects the first portion of it which recites an amendment to the Economy Act. It is necessary to put that in.

Mr. JAMES. It also includes Spanish-American War veterans?

Mr. WOODRUM. Yes.

Mr. JAMES. It mentions tuberculosis and neuropsychiatric cases. Practically everyone who served either in Cuba or the Philippines are not bothered with either tuberculosis or neuropsychiatric ailments. They are bothered with malaria. Under this it would be impossible for a Spanish-American War veteran to be hospitalized because he was suffering from malaria.

Mr. WOODRUM. The Spanish-American War veterans, if totally and permanently disabled, may be hospitalized.

Mr. JAMES. But if he is 50 percent disabled he cannot get in.

Mr. WOODRUM. He is exactly on the same plane as a World War veteran with respect to hospitalization privileges.

Mr. JAMES. If he is 100 percent disabled.

Mr. WOODRUM. No; if he has tuberculosis or requires neuropsychiatric hospitalization, and, of course, if he has a service-connected disability, he may be hospitalized.

Mr. Speaker, I move the previous question on the motion. The previous question was ordered.

The motion to recede and concur with an amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 11: Page 49, line 10, strike out "\$231,730,000" and insert "\$401,730,000."

Mr. WOODRUM. Mr. Speaker, this amendment affects the amount required for pensions and hospitalization, and the action we take on it will depend on whatever action may be taken hereafter on amendment no. 47. I therefore ask unanimous consent that this amendment may be passed over until we take action on amendment no. 47.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 13: Page 49, after line 16, insert "That the Attorney General of the United States is hereby authorized to agree to a judgment to be rendered by the presiding judge of the United States court having jurisdiction in the case, pursuant to compromise approved by the Attorney General upon the recommendation of the United States attorney charged with the defense, upon such terms and for such sums within the amount claimed to be payable, in any suit pending on March 20, 1933, and on the date of the enactment of this act, brought under the provisions of the World War Veterans' Act, 1924, as amended, on a contract of yearly renewable term insurance, and the Administrator of Veterans' Affairs is hereby authorized and directed to make payments in accordance with any such judgment: *Provided*, That the Comptroller General of the United States is hereby authorized and directed to allow credit in the accounts of disbursing officers of the Veterans' Administration for all payments of insurance made in accordance with any such judgment: *Provided further*, That all such judgment shall constitute final settlement of the claim and no appeal therefrom shall be authorized."

Mr. WOODRUM. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendments nos. 14 and 15: On page 50, in line 19, strike out "\$1,000,000" and insert "\$2,000,000"; and in line 20 insert: "Provided, That not less than one half of \$2,000,000 so appropriated shall be used for supplying hospital treatment for veterans, without regard to whether their disability was service-connected or not."

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that amendments nos. 14 and 15 may be considered together.

The SPEAKER. Is there objection?

There was no objection.

Mr. WOODRUM. Mr. Speaker, I move that the House insist on its disagreement to Senate amendments 14 and 15.

The question was taken; and on a division (demanded by Mr. KVALE) there were—ayes 162, noes 23.

So the motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 16: Page 51, after line 9, insert: "The unexpended balance of the appropriation 'Fourteenth Annual Convention of French Veterans of the World War, Washington, D.C., 1933' is hereby made available for reimbursement to the Veterans' Administration for all expenses (including transportation to bona fide residence) incurred in connection with indigent veterans in attendance at the convention of the rank and file organization of World War Veterans held in Washington, D.C., during the month of May, 1933, and the decision of the Administrator of Veterans' Affairs in connection with such expenditures shall be final and conclusive."

Mr. WOODRUM. Mr. Speaker, I move to recede and concur with an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Mr. WOODRUM moves that the House recede from its disagreement to the amendment of the Senate no. 16 and agree to the same with an amendment as follows: In lieu of the first three lines of the matter inserted by such amendment insert the following: "such amount as may be necessary of the fund entitled 'Recreation fund, Army', created by the War Department Appropriation Act, approved March 4, 1933, is hereby appropriated and."

Mr. WOODRUM. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. GOSS. Mr. Speaker, I make a point of order on the amendment. The amendment is not germane to this particular section of the bill. It refers to an unexpended balance of appropriation for the annual convention of French veterans, whereas the gentleman's amendment applies to a recreational fund of the Army contained in the War Department appropriation bill.

Mr. WOODRUM. Mr. Speaker, the original text provides a certain fund from which the expense of this veterans' camp should be paid. The amendment selects a different fund and I submit it is germane to the section, and otherwise proper.

The SPEAKER. The Chair thinks that this is merely a reappropriation of an unexpended balance which this amendment proposes to use for another purpose than that for which originally appropriated. The Chair thinks that that is certainly germane, for, after all, all appropriations of money, whether it be a reappropriation or a direct appropriation, must come out of the Treasury. The Chair overrules the point of order.

Mr. GOSS. I do not understand, Mr. Speaker, that this fund comes out of the Treasury.

The SPEAKER. The Chair does not know where else it could come from.

Mr. GOSS. I call the attention of the Speaker to the fact that they have special funds in that bill that do not belong to the Government.

The SPEAKER. The amendment simply makes it available for that purpose.

Mr. GOSS. This has to do with something that is not Government funds.

The SPEAKER. Well, the fund is in the Treasury.

Mr. WOODRUM. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I am opposed to this proposition on two grounds. In the first place, I have in my hand, and I ask unanimous consent to insert in the RECORD certain portions of a letter—I will not ask for the whole letter because it is five pages long—from the Chief of the Veterans' Bureau stating that he does have legal authority to spend this money.

In the second place, this was an illegal expenditure for expenses of a convention gotten together by men who were not members of the Army during the war, but who organ-

ized this group to bring them here to promote their own ends.

Why should the Government pay the expenses of any organization coming here to run a convention? If we are going to start in by paying expenses of any group we have got to go the full length by paying the expenses of every hay dealers' convention.

Mr. BUCHANAN. The gentleman realizes that the Woodrum amendment does not take the taxpayers' money, but takes the money out of the organization not connected with the Government. It is not Government money at all.

Mr. TABER. That makes the situation still worse, because we are taking money that does not belong to the Government and we have no jurisdiction over it whatever.

Mr. BYRNS. Will the gentleman yield?

Mr. TABER. I yield.

Mr. BYRNS. How much of this fund has been spent?

Mr. TABER. They have spent about \$40,000.

Mr. BYRNS. The previous administration appropriated out of the Public Treasury \$100,000, of which \$70,000 was spent, and I never heard the gentleman opposing that.

Mr. TABER. That was a different situation. That was a loan on bonus certificates. This is an outright donation of money. I have heard the gentleman from Tennessee time after time oppose the payment of funds out of the Treasury in an illegal manner.

Mr. BULWINKLE. Will the gentleman yield?

Mr. TABER. I yield.

Mr. BULWINKLE. Is not this money raised by this organization, and after they had dispersed then it had nowhere to go?

Mr. TABER. Yes; this money was left in the custody of the War Department, but the Government is not entitled to it. We have no right to muscle in on it. It is entirely an illegal performance.

Mr. BULWINKLE. Does the gentleman think this will cost the Government any more than it did under the Republican administration to call out the Army to drive them out of the city of Washington?

Mr. TABER. The gentleman knows that during the Republican administration they treated them fairly and squarely, and the Army was not called out until it was absolutely necessary, because of the performance of the man who was chief of police at that time.

Mr. GOSS. Is not this fund earmarked as a special fund in the last appropriation bill?

Mr. TABER. The money does not belong to the Government of the United States.

Mr. GOSS. That is just what I said when I made the point of order.

Mr. RICH. Will the gentleman yield?

Mr. TABER. Yes.

Mr. RICH. If the House is going to pay the expenses of all organizations who come here seeking their own ends, is it not taking steps to pay the expenses of all bonus seekers?

Mr. TABER. We might as well pay the return expenses of the canners who are now in convention here.

Mr. CONNERY. Will the gentleman yield?

Mr. TABER. Yes.

Mr. CONNERY. I understood the gentleman to say something about my friend and buddy, General Glassford. What did he do?

Mr. TABER. He mused up the whole situation by creating disturbances and distress here in Washington.

Mr. WOODRUM. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS. Mr. Speaker, this is not the first visit of certain veterans and perhaps others who have come to Washington for the purpose of insisting on the payment of the bonus. About a year ago we had a similar march on Washington under the previous administration. At that time there was appropriated for transportation alone \$100,000, of which \$71,000, according to my recollection, was used, and in addition to that I personally know that the Secretary of War provided for a part of the sustenance and maintenance of those marchers here out of the fund ap-

propriated for the subsistence of the Army. I do not know how much was so provided. In addition to that, there was the extra cost entailed in bringing the tanks and soldiers from Fort Myer, and in the use of gas, illuminating and otherwise [laughter], in order to quell the disturbance alleged to have occurred down here upon the Avenue. Only \$37,000 was spent by this administration, for which Mr. Louis Howe, the executive secretary of the President, is entitled to credit, and the soldiers left here by agreement without the slightest trouble or necessity for either calling out the police or the Army. I say it is to the credit of this administration, and particularly Mr. Howe, that these marchers came here and then went home quietly and peacefully, after expending only \$37,000, as compared to the amount spent under the former administration. [Applause.]

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. CONNERY. Floyd Gibbons was taken off the radio by General Harbord, who did not get his pay cut in the Economy League, because he told the truth about driving the soldiers out of Washington. When told that he was mistaken, he showed General Harbord the moving pictures and said that the camera cannot lie.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. I am sorry; my time has expired.

Mr. WOODRUM. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. COLLINS].

Mr. COLLINS of Mississippi. Mr. Speaker, I have a very high regard for the gentleman from New York [Mr. TABER]. I have a high regard for his opinions on all questions. However, I think there is a complete misunderstanding on the part of the House as to the fund from which it is proposed that this expenditure shall be made. Otherwise, I dare say there would be no objection to the amendment offered by the gentleman from Virginia [Mr. WOODRUM].

Mr. TABER. I am opposed to it on general principles, because in my opinion it was illegally made.

Mr. COLLINS of Mississippi. Strictly and technically the gentleman is right; but, legal or illegal, the expense was of a nature that hardly could have been avoided. Following the war certain funds which had accrued during the course of the conflict became available and subject to administration by certain officials of the Department. For instance, a weekly paper known as the Stars and Stripes was published by the American Expeditionary Forces. From that publication several hundred thousand dollars were realized. After the war was over the accumulated receipts came under the control of certain officials of the War Department and were expended for various purposes, some of which most of us would not have approved if we ourselves had had the responsibility. There was another sizeable fund that became available upon the disbandment of certain World War organizations. In the last War Department appropriation bill it was provided that those two funds should be deposited in the Treasury and there held subject to appropriation by Congress for the welfare of enlisted men in the event of another war. The thought was that the money had been raised by enlisted men and that it should not be used except in directions that would directly benefit enlisted men. The money was being spent for every object under the sun. I submit, Mr. Speaker, that since the very soldiers who created the funds in question have been the beneficiaries of the expenditures, we are now considering, there could not be a more appropriate use of the money than this one, to wit, to pay their expenses for coming to Washington for the purpose of submitting to the President and to the American Congress the cause that was uppermost in the minds of many of them. I feel this is an entirely proper use of the money and should be approved by this Congress.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. COLLINS of Mississippi. Yes.

Mr. CONNERY. Does not the gentleman consider it quite a contrast from the proceedings of last year. Last year President Hoover would not even meet those veterans,

while this year we had the first lady of the land, Mrs. Roosevelt, going out to their camp and talking to them, right in their own mess.

Mr. WOODRUM. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the motion of the gentleman from Virginia.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 156, noes 59.

So the motion to recede and concur was agreed to.

Mr. WOODRUM. Mr. Speaker, amendments numbered 17, 18, and 21 affect totals. I ask unanimous consent that these three amendments be passed over until we vote on the others.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 19: Page 53, beginning in line 1, insert:

"INTERNATIONAL INSTITUTE OF AGRICULTURE

"The sum of \$48,500, or so much thereof as may be necessary, is hereby appropriated for the expenses of participation by the United States in the International Institute of Agriculture at Rome, Italy, to be expended under the direction of the Secretary of State in the following manner:

"(1) Not to exceed the equivalent in United States currency of 192,000 gold francs for the payment of the quota of the United States for the support of the Institute, including the shares of the Territory of Hawaii, and of the dependencies of the Philippine Islands, Puerto Rico, and the Virgin Islands.

"(2) Not to exceed \$5,000 for the salary of a United States member of the permanent committee of the International Institute of Agriculture.

"(3) Not to exceed \$5,500 for rent of living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (46 Stat. 818); compensation of subordinate employees without regard to the Classification Act of 1923, as amended; actual and necessary traveling expenses; and other contingent expenses incident to the maintenance of an office at Rome, Italy, for a United States member of the permanent committee of the International Institute of Agriculture."

Mr. WOODRUM. Mr. Speaker, that is the amendment affecting the International Institute of Agriculture, which we have considered several times in the House.

Mr. GOSS. Is this the so-called "Blanton amendment"?

Mr. WOODRUM. I do not know which particular Blanton amendment the gentleman is talking about.

Mr. GOSS. I mean about the \$48,500 to be contributed to this Agricultural Institute in Rome.

Mr. WOODRUM. This is the amendment put in providing for a contribution to the International Institute of Agriculture at Rome.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. Yes.

Mr. FISH. Is this a permanent appropriation or is it one that is provided for for just 1 year?

Mr. BUCHANAN. Just for 1 year.

Mr. BRITTEN. I wanted to get a couple of minutes to talk rather than ask a question. I was in hopes the House conferees would insist on their disagreement with the Senate conferees in this matter, because surely this is no time to throw \$50,000 into the wastebasket over in Rome. I hope the gentleman will not insist on his motion, and let us get a vote on this thing after a couple of minutes. Will the gentleman yield me 2 minutes?

Mr. WOODRUM. I will take it under consideration; but right now I move the previous question, Mr. Speaker.

The question was taken; and on a division (demanded by Mr. BRITTEN) there were ayes 132 and noes 48.

So the previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Virginia [Mr. WOODRUM] to recede and concur.

The question was taken; and on a division (demanded by Mr. BRITTEN) there were ayes 136 and noes 64.

So the motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 30: On page 57, after line 14, insert:

"Sec. 6. After the enactment of this act the Postmaster General is directed to suspend payments upon any air mail or ocean mail contract to any individuals, companies, or corporations which, singly or in combination with other individuals, companies, or corporations receiving a subsidy, pay any salary or salary combined with bonus to any officer, agent, or employee in excess of a salary of \$17,500. If such individuals, companies, or corporations employ any officer, agent, or employee on a part-time basis, such salary, or salary combined with bonus, shall be reduced in proportion to such part-time employment."

Mr. WOODRUM. Mr. Speaker, I move to recede and concur with an amendment, which I send to the desk.

The Clerk read as follows:

Mr. WOODRUM moves that the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Sec. 6. Hereafter the Postmaster General shall not award any air mail contract or any ocean mail contract under the Merchant Marine Act of 1928 to any individuals, companies, or corporations which, singly or in combination with other individuals, companies, or corporations pay any salary, or salary combined with bonus, to any officer, agent, or employee in excess of \$17,500. If such individuals, companies, or corporations employ any officer, agent, or employee on a part-time basis, such salary, or salary combined with bonus, shall be reduced in proportion to such part-time employment."

Mr. GOSS. Mr. Speaker, a point of order.

The amendment as I heard it read contains the word "hereafter", making this permanent law, forever. I have no particular objection to the language contained, that makes it for the duration of the life of this appropriation bill, but it might not be wise, under certain circumstances, to make it permanent, forever. The word "hereafter" makes it legislation on an appropriation bill, which makes it permanent legislation.

Mr. WOODRUM. The original text makes it permanent legislation.

Mr. GOSS. But it reads "after the enactment of this act."

The SPEAKER. We are considering the Senate amendment. The entire amendment of the Senate is legislation which the House may now perfect by any germane amendment.

Mr. GOSS. I will reserve it for the moment, to hear further explanation. I do not want to see it made permanent law.

Mr. WOODRUM. The only change which the House makes in it is the very proper change not to undertake to make this retroactive to apply to contracts. They have post-office contracts that have already been made in good faith, but it does provide—

Mr. GOSS. For all time.

Mr. WOODRUM. Yes; until Congress changes it, because the original language was for all time.

Mr. GOSS. But when that language goes in an appropriation bill, it is difficult to get it out again. If you make it applicable to the year for which the appropriation is written, it would not make it permanent law.

The SPEAKER. The Chair overrules the point of order made by the gentleman from Connecticut.

Mr. McCLINTIC. Will the gentleman yield for a question?

Mr. WOODRUM. I yield.

Mr. McCLINTIC. If I understood the gentleman's substitute amendment, it provides that you cannot investigate contracts that are already in effect with respect to air mail. Am I correct?

Mr. WOODRUM. Not exactly. The preceding section in the bill confers the power on the President to investigate and revise all air mail and ocean mail contracts. This simply applies to such contracts as are made in the future.

Mr. McCLINTIC. In other words, you do not cut out the preceding section?

Mr. WOODRUM. Not at all.

Mr. BLANTON. Will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. BLANTON. Respecting the objection made by the gentleman from Connecticut [Mr. Goss], if this is a wise

provision for this year, why is it not a wise provision for next year? I submit that inference to the intelligent judgment of the gentleman from Connecticut [Mr. Goss].

Mr. WOODRUM. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Virginia to concur in the Senate amendment with an amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 34: On page 60, after line 2, insert:

"(c) Whenever at any time hereafter prior to July 1, 1935, any person to whom the Canal Zone Retirement Act, approved March 2, 1931 (Public, No. 781, 71st Cong.), applies, who has an aggregate period of service of at least 30 years computed as prescribed in section 7 of such act, is voluntarily or involuntarily separated from the service for reasons other than his misconduct, such employee shall be entitled to an annuity computed as provided in section 6 of such act payable from the Canal Zone retirement and disability fund less a sum equal to 5 percent of such annuity: *Provided*, That when an annuitant hereunder attains the age at which he would have been entitled to retirement with annuity computed as provided in section 6 of such act, such deduction from the annuity shall cease. If and when any such annuitant shall be reemployed in the service of the District of Columbia or the United States (including any corporation the majority of the stock of which is owned by the United States), the right to the annuity provided by this section shall cease and the subsequent annuity rights of such person shall be determined in accordance with the applicable provisions of retirement law existing at the time of the subsequent separation of such person from the service."

Mr. WOODRUM. Mr. Speaker, I move to recede and concur with an amendment which is at the Clerk's desk.

The Clerk read as follows:

Mr. WOODRUM moves that the House recede from its disagreement to the amendment of the Senate no. 34, and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment strike out the letter "c" and insert in lieu thereof the letter "b", and in line 6 strike out the words "voluntarily or."

Mr. WOODRUM. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman to concur with an amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 43: On page 65, after line 9, insert:

"Sec. 16. (a) There shall be in the Department of Justice an Assistant Solicitor General to assist the Solicitor General in the performance of his duties, who shall be appointed by the President, by and with the advice and consent of the Senate. Said Assistant Solicitor General shall be allocated to the same classification grade and be paid the same rate of compensation as apply to Assistant Attorneys General and shall perform such additional duties as may be required of him by the Attorney General. (b) One of the existing positions of Assistant Attorney General is hereby abolished."

Mr. WOODRUM. Mr. Speaker, I move to recede and concur in the Senate amendment.

Mr. CROWTHER. Were the duties of this new solicitor outlined to the committee? I have in mind whether or not this new solicitor is to prosecute the hoarders of gold which we heard so much about a while ago. Have there been any prosecutions under this law by the Attorney General?

Mr. WOODRUM. The committee has that under consideration right now, and will report later.

Mr. CROWTHER. I thank the gentleman.

Mr. WOODRUM. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Virginia.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 44: On page 65 beginning in line 21, insert section 17:

"SEC. 17. That section 3 of the act of Congress approved May 28, 1928, entitled 'An act to amend the salary rates contained in the compensation schedules of the act of March 4, 1923, entitled 'An act to provide for the classification of civilian positions within the District of Columbia and in the field services'', as amended by the act of July 3, 1930, be further amended by adding thereto the following: 'Provided, That in all cases where, since December 6, 1924, in such adjustment the position occupied by an employee has been or shall be allocated to a grade with a maximum salary below the salary received by the incumbent, the rate of pay fixed for such position prior to such allocation may be continued so long as the position is held by the incumbent occupying it at the time of such allocation.'"

Mr. WOODRUM. Mr. Speaker, I move that the House recede from its disagreement to Senate amendment no. 44 and concur in the same with an amendment.

The Clerk read as follows:

Mr. WOODRUM moves that the House recede from its disagreement to the amendment of the Senate no. 44, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 17. That section 3 of the act of Congress approved May 28, 1928, entitled 'An act to amend the salary rates contained in the compensation schedules of the act of March 4, 1923, entitled 'An act to provide for the classification of civilian positions within the District of Columbia and in the field services'', as amended by the act of July 3, 1930, be further amended by adding thereto the following: 'Provided, That in all cases where, since December 6, 1924, in such adjustment the position occupied by an employee has been or shall be allocated to a grade with a maximum salary below the salary received by the incumbent, the rate of pay fixed for such position prior to such allocation may be paid after the date of the enactment of this act so long as the position is held by the incumbent occupying it at the time of such allocation and the Comptroller General of the United States is authorized and directed to allow credit in disbursing officers' accounts for all payments heretofore made at such higher rates.'"

Mr. WOODRUM. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Virginia.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 45. On page 66, beginning with line 11, insert: "SEC. 18. The Secretary of the Treasury is hereby authorized to effect a modification of the contract for the construction of the Long Beach (Calif.) post office so as to afford such relief as he deems to be proper for losses caused the contractor for restoration of damages to the building occasioned by the earthquake of March 10, 1933, and to make such structural and other changes in the building as may be necessary to minimize a recurrence of earthquake damage to the building: *Provided*, That the present appropriation for the Long Beach project shall be available for the purposes named, and that any additional cost incurred by reason of the above shall not exceed the present limit of cost."

Mr. WOODRUM. Mr. Speaker, I move that the House recede from its disagreement to Senate amendment no. 45 and concur in the same with an amendment.

The Clerk read as follows:

Mr. WOODRUM moves that the House recede from its disagreement to the amendment of the Senate no. 45, and agree to the same with an amendment as follows: At the end of the matter inserted by said amendment before the period insert the following: "": *Provided further*, That the contractor shall not be allowed any profit in connection with the restoration of such earthquake damages."

Mr. DOWELL. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. DOWELL. Will the gentleman tell the House what cost is involved?

Mr. WOODRUM. I yield for that purpose to the gentleman from New York [Mr. BOYLAN], a member of the committee.

Mr. BOYLAN. The amount involved is about \$40,000.

Mr. DOWELL. As I understand the amendment submitted by the gentleman from Virginia there is to be no profit in the amount appropriated in this bill?

Mr. WOODRUM. That is correct.

Mr. DOWELL. Merely the actual loss?

Mr. BOYLAN. The actual loss only.

Mr. WOODRUM. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Virginia.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 46: On page 66, beginning in line 24, insert:

"SEC. 19. The Reconstruction Finance Corporation is authorized and empowered to make loans as hereinafter provided, in an aggregate amount not exceeding \$50,000,000 to or for the benefit of drainage districts, levee districts, levee and drainage districts, irrigation districts, and similar districts duly organized under the laws of any State, and to or for the benefit of political subdivisions of States, which prior to the date of enactment of this act have completed projects devoted chiefly to the improvement of lands for agricultural purposes. Such loans shall be made for the purpose of enabling any such district or political subdivision (hereafter referred to as the "borrower") to reduce and refinance its outstanding indebtedness incurred in connection with any such projects, and shall be subject to the same terms and conditions as loans made under section 5 of the Reconstruction Finance Corporation Act, as amended; except that (1) the term of any such loan shall not exceed 40 years; (2) each such loan shall be secured by bonds, notes, or other obligations which are a lien on the real property within the project or on the assessments, taxes, or other charges imposed by the borrower pursuant to State law, or by such other collateral as may be acceptable to the Corporation; (3) the borrower shall agree not to issue during the term of the loan any other bonds so secured except with the consent of the Corporation; (4) the borrower shall agree, insofar as it lawfully may, to pay to the Corporation, until all bonds or other obligations of the borrower acquired by the Corporation are retired, an amount equal to the amount by which the assessments, taxes, and other charges collected by the borrower exceed the cost of operation and maintenance of the project and maturities of interest and principal on its outstanding obligations, and (5) the borrower shall agree, to the satisfaction of the Corporation, to reduce, insofar as it lawfully may, the annual taxes, assessments, and other charges imposed by it for or on account of the project by an amount proportional to the reduction in the corresponding annual requirements for principal and interest of its outstanding indebtedness by reason of the operation of this section. No loan shall be made under this section until the Reconstruction Finance Corporation (A) has caused an appraisal to be made of the property securing and/or underlying the outstanding bonds of the applicant, (B) has determined that the project of the applicant is economically sound, and (C) has been satisfied that an agreement has been entered into between the applicant and holders of its outstanding bonds or other obligations under which the applicant will be able to purchase or refund all or a major portion of such bonds or other obligations at a price determined by the Corporation to be reasonable after taking into consideration the average market price of such bonds over the 6 months' period ending March 1, 1933, and under which a substantial reduction will be brought about in the amount of the outstanding indebtedness of the applicant."

Mr. WOODRUM. Mr. Speaker, amendment no. 46 merely clarifies existing law with reference to loans to drainage districts. It makes no change in the law at all.

Mr. Speaker, I move that the House recede from its disagreement to Senate amendment no. 46 and concur in the same with an amendment.

The Clerk read as follows:

Mr. WOODRUM moves that the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment as follows: In lieu of line 1 of the matter inserted by such amendment insert the following:

"SEC. 19. Section 36 of the 'Emergency Farm Mortgage Act of 1933', approved May 12, 1933, is hereby amended to read as follows:

"SEC. 36. The Reconstruction Finance Corporation is."

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM. I yield.

Mr. SNELL. What is the need of this amendment if it does not change the law?

Mr. WOODRUM. It is clarifying language the Reconstruction Finance Corporation submitted to the Senate and was unanimously approved.

Mr. SNELL. I thank the gentleman for the information.

Mr. WOODRUM. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Virginia.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment no. 47, page 69, after line 2, insert:

Mr. WOODRUM. Mr. Speaker, the matter the Clerk is about to read is the Steiwer-Cutting amendment.

Mr. GOSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GOSS. Mr. Speaker, I thought we were taking up the amendment as it came from the Senate and reading that first.

The SPEAKER. The gentleman is correct.

The Clerk read as follows:

Amendment no. 47: Page 69, after line 2, insert:

"SEC. 20. Notwithstanding any of the provisions of the act approved March 20, 1933, entitled 'An act to maintain the credit of the United States Government', in no event shall World War service-connected disability compensation of any veteran or the pension of any veteran of a war prior to the World War"—

Mr. WOODRUM. Mr. Speaker, I thought I was right. Evidently this is the Steiwer-Cutting amendment that the Senate has inserted.

Mr. GOSS. No, Mr. Speaker; this is the Connally amendment that came over in the Senate bill.

Mr. WOODRUM. Well, the Clerk ought to read the Steiwer-Cutting amendment.

The SPEAKER. The Clerk will read the Steiwer-Cutting amendment, as that is the matter properly before the House.

Mr. GOSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GOSS. I have the bill in front of me, H.R. 5389, which we have been following all afternoon. Now, amendment no. 47 of the Senate is not the Steiwer-Cutting amendment at all, and the Clerk had not finished reading that.

The SPEAKER. The copy that the gentleman has probably was printed before the Senate adopted the Steiwer amendment.

Mr. BULWINKLE. But, Mr. Speaker, the House acted the other day on this Connally amendment and substituted for it the House amendment.

The SPEAKER. That is correct.

Mr. GOSS. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. GOSS. In view of the parliamentary situation I would like to get a ruling, if the Chair will permit, on the point that any amendment offered to the Steiwer amendment would be an amendment in the third degree and, therefore, subject to a point of order?

The SPEAKER. The gentleman is correct.

Mr. WOODRUM. I was simply going to ask unanimous consent to dispense with the reading of the Steiwer-Cutting amendment.

Mr. BECK. I object, Mr. Speaker.

Mr. GOSS. The gentleman proposed to have it printed in the RECORD?

Mr. WOODRUM. Yes.

Mr. BECK. I object. I want to hear the amendment.

The Clerk read as follows:

The President is hereby authorized under the provisions of Public Law No. 2, Seventy-third Congress, to establish such number of special boards (the majority of the members of which were not in the employ of the Veterans' Administration at the date of enactment of this act), as he may deem necessary to review all claims (where the veteran entered service prior to November 11, 1918, and whose disability is not the result of his own misconduct), in which presumptive service connection has heretofore been granted under the World War Veterans' Act, 1924, as amended, wherein payments were being made on March 20, 1933, and which are heretofore or hereafter held not service connected under the regulations issued pursuant to Public Law No. 2, Seventy-third Congress. Members of such boards may be appointed without regard to the Civil Service laws and regulations, and their compensation fixed without regard to the Classification Act of 1923, as amended. Such special boards shall determine, on all available evidence, whether service connection shall be found in such cases, and shall in their decisions resolve all reason-

able doubts in favor of the veteran. For the purposes of this section the granting of service connection in such cases shall not be based upon the requirements of regulation no. 1, part I, subparagraph (a), or instruction no. 2, regulation no. 1, issued under Public Law No. 2, Seventy-third Congress, it being the intent of this section to preserve service connections as granted by section 200, World War Veterans' Act of 1924, as amended, title 38 of the Code (other than disability resulting from the claimant's own misconduct), unless affirmative evidence clearly discloses that the disease or disability had its inception before or after the period of military or naval service, and was not aggravated thereby.

Notwithstanding the provisions of Public Law No. 2, Seventy-third Congress, the decisions of such special boards shall be final in such cases, subject to such appellate procedure as the President may prescribe, and, except in those cases where the special boards shall find that the award was based upon fraud, misrepresentation of a material fact, or unmistakable error not less than 75 percent of the payments being made on March 20, 1933, therein shall continue to October 31, 1933, or the date of special board decision whichever is the earlier date: *Provided*, That where any case is pending before any one of the special boards on October 31, 1933, the President may provide for extending the time of payment until decision can be rendered. The President shall prescribe such rules governing reviews and hearings as may be deemed advisable. Payment of salaries and expenses of such boards and personnel assigned thereto shall be paid out of and in accordance with appropriations for the Veterans' Administration. In all cases where service connection shall be preserved under the review herein provided, not less than 75 percent of the payments being made on March 20, 1933, shall continue, and the determination of service connection in such review shall be final in all cases: *Provided, however*, That in the event of a change in the degree of disability of any such veteran the amount of compensation payable shall be determined pursuant to the provisions of the World War Veterans' Act, 1924, as amended, and the rating schedule in effect prior to March 20, 1933, and such amount shall not be reduced by more than 25 percent.

Notwithstanding any of the provisions of Public Law No. 2, Seventy-third Congress, in no event shall the compensation being paid for directly service-connected disabilities to those veterans who entered the active military or naval service prior to November 11, 1918, and whose disabilities are not the result of their own misconduct, where they were, except by fraud, misrepresentation of a material fact, or unmistakable error, in receipt of compensation on March 20, 1933, be reduced more than 25 percent: *Provided, however*, That in the event of a change in the degree of disability of any such veteran the amount of compensation payable shall be determined pursuant to the provisions of the World War Veterans' Act, 1924, as amended, and the rating schedule in effect prior to March 20, 1933, and such amount shall not be reduced by more than 25 percent; and in no event shall death compensation, except by fraud, misrepresentation of a material fact, or unmistakable error, being paid to widows, children, and dependent parents of deceased World War veterans under the World War Veterans' Act of 1924, as amended, on March 20, 1933, be reduced or discontinued, whether the death of the veteran on whose account compensation is being paid was directly or presumptively connected with service; except that the provisions of this paragraph shall not apply with respect to veterans residing outside the limits of the continental United States and its Territories and possessions, or with respect to any veteran who is being furnished hospital treatment, institutional, or domiciliary care by the United States, or any political subdivision thereof, if such veteran has neither wife, child, nor dependent mother or father.

Notwithstanding any of the provisions of Public Law No. 2, Seventy-third Congress, the pension paid to veterans of any war prior to the World War, or to any widow and/or dependent of such veterans shall not be reduced more than 25 percent of the amount being paid prior to March 20, 1933.

Notwithstanding the provisions of section 17, title I, Public Law No. 2, Seventy-third Congress, any claim for yearly renewable term insurance on which premiums were paid to the date of death of the insured and any claim for pension, compensation allowance, or emergency officers' retired pay under the provisions of law repealed by said section 17 wherein claims were duly filed prior to March 20, 1933, may be adjudicated by the Veterans' Administration on the proof and evidence received by the Veterans' Administration prior to March 20, 1933, and any person found entitled to the benefits claimed shall be paid such benefits in accordance with and in the amounts provided by such prior law: *Provided*, That the payments hereby authorized to be made shall continue only to include June 30, 1933, and only one original adjudicatory action and one appeal may be made in such cases. Where a veteran died prior to March 20, 1933, under conditions which warrant payment of or reimbursement for burial expenses, such payments or reimbursements may be made in accordance with the laws in effect prior to March 20, 1933: *Provided*, That such claim for payment or reimbursement must be filed within 3 months from the date of the passage of this act.

Mr. BECK (interrupting the reading of the amendment). Mr. Speaker, a parliamentary inquiry. Am I privileged to withdraw my objection to the unanimous-consent request to dispense with the reading of the amendment? If so, I withdraw my objection.

Mr. KVALE. Mr. Speaker, I renew the objection.

The Clerk concluded the reading of the amendment.

Mr. WOODRUM. Mr. Speaker, I move that the House disagree to the amendment of the Senate to the amendment of the House to the amendment of the Senate no. 47.

Mr. Speaker, I yield to the gentleman from Massachusetts.

Mr. CONNERY. Mr. Speaker, I offer a preferential motion.

Mr. Speaker, I move to concur in the Steiwer-Cutting amendment.

Mr. WOODRUM. Mr. Speaker, on that, I move the previous question.

The previous question was ordered.

Mr. CONNERY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CONNERY. This is a direct vote now on the Steiwer-Cutting amendment?

The SPEAKER. The gentleman is correct.

Mr. CONNERY. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 177, nays 209, not voting 44, as follows:

[Roll No. 73]

YEAS—177

Allen	Durgan, Ind.	Kinzer	Richards
Andrews, N.Y.	Eaton	Kniffin	Rogers, Mass.
Arens	Edmonds	Knutson	Rogers, Okla.
Ayers, Mont.	Eicher	Kurtz	Sadowski
Bacharach	Eltse, Calif.	Kvale	Scrugham
Bakewell	Englebright	Lambertson	Seger
Beck	Faddis	Lee, Mo.	Shannon
Beedy	Fish	Lehlbach	Shoemaker
Beiter	Fitzgibbons	Lemke	Simpson
Black	Fletcher	Ludlow	Sinclair
Blanchard	Focht	Lundeen	Smith, Wash.
Boileau	Foss	McCormack	Snell
Bolton	Frear	McFadden	Stalker
Britten	Gasque	McFarlane	Stokes
Brumm	Gibson	McGugin	Strong, Pa.
Burnham	Gilchrist	McLean	Studley
Busby	Gillespie	McLeod	Swank
Cannon, Mo.	Goodwin	Maloney, Conn.	Sweeney
Carpenter, Kans.	Goss	Maloney, La.	Swick
Carpenter, Nebr.	Granfield	Mapes	Taylor, Tenn.
Carter, Calif.	Gray	Marshall	Thomason, Tex.
Carter, Wyo.	Griswold	Martin, Colo.	Thurston
Chapman	Guyer	Martin, Mass.	Traeger
Chavez	Hamilton	Martin, Oreg.	Truax
Christianson	Hancock, N.Y.	May	Turpin
Cochran, Pa.	Hartley	Mead	Vinson, Ky.
Collins, Calif.	Healey	Millard	Waldron
Collins, Miss.	Hess	Miller	Wallgren
Condon	Higgins	Monaghan	Watson
Connery	Hildebrandt	Montet	Wearin
Connolly	Hill, Knute	Morehead	Weldeman
Cooper, Ohio	Hill, Samuel B.	Mott	Welch
Cravens	Hoeppel	Muldowney	Werner
Crowther	Holmes	Murdock	Whitley
Cummings	Hooper	Musselwhite	Wigglesworth
Darrow	Hope	Nesbit	Withrow
De Priest	Howard	Pettengill	Wolcott
DeRouen	Huddleston	Polk	Wolfenden
Dingell	Jacobsen	Powers	Wolverton
Dirksen	James	Ramsay	Wood, Mo.
Ditter	Jeffers	Randolph	Woodruff
Dondero	Jenkins	Rankin	Zioncheck
Dowell	Johnson, Minn.	Ransley	
Duffey	Kahn	Reece	
Dunn	Kelly, Pa.	Rich	

NAYS—209

Adair	Buchanan	Corning	Ellzey, Miss.
Adams	Buck	Cox	Farley
Allgood	Bulwinkle	Crosby	Fiesinger
Arnold	Burch	Cross	Fitzpatrick
Auf der Heide	Burke, Nebr.	Crowe	Flannagan
Ayres, Kans.	Byrns	Culkin	Ford
Bailey	Cady	Cullen	Fuller
Bankhead	Caldwell	Darden	Fullmer
Beam	Carden	Dear	Gambrell
Berlin	Carley	Deen	Gavagan
Biermann	Cartwright	Delaney	Gillette
Bland	Cary	Dickinson	Glover
Blanton	Castellow	Dickstein	Goldsborough
Bloom	Caviochia	Dies	Green
Boehne	Celler	Disney	Greenwood
Boland	Church	Dobbins	Gregory
Boylan	Clark, N.C.	Dockweiler	Griffin
Brennan	Cochran, Mo.	Doughton	Haines
Brooks	Coffin	Doxey	Hancock, N.C.
Brown, Ky.	Colden	Drewry	Harlan
Brown, Mich.	Cole	Driver	Hart
Browning	Colmer	Duncan, Mo.	Harter
Brunner	Cooper, Tenn.	Eagle	Hastings

LXXVII—388

Henney
Hill, Ala.
Holdate
Hughes
Imhoff
Jenckes
Johnson, Okla.
Johnson, Tex.
Johnson, W.Va.
Jones
Kee
Keller
Kelly, Ill.
Kennedy, Md.
Kennedy, N.Y.
Kenney
Kerr
Kloeb
Kocalkowski
Kopplemann
Kramer
Lambeth
Lamneck
Lanham
Lanzetta
Larrabee
Lea, Calif.
Lehr
Lesinski
Lewis, Colo.

Lewis, Md.
Lindsay
Lozier
Luce
McCarthy
McClintic
McDuffie
McGrath
McKeown
McMillan
McSwain
Major
Mariand
Meeks
Merritt
Milligan
Mitchell
Moran
O'Connell
O'Connor
Oliver, Ala.
Oliver, N.Y.
Owen
Palmisano
Parker, Ga.
Parker, N.Y.
Parks
Parsons
Patman
Peyser

Pierce
Pou
Prall
Ragon
Ramspeck
Rayburn
Reilly
Richardson
Robertson
Rogers, N.H.
Romjue
Rudd
Ruffin
Sabath
Sanders
Sandlin
Schaefer
Schuetz
Schulte
Sears
Secrest
Shallenberger
Sirovich
Sisson
Smith, Va.
Snyder
Somers, N.Y.
Spence
Steagall
Strong, Tex.

Sullivan
Sumners, Tex.
Sutphin
Taber
Tarver
Taylor, Colo.
Taylor, S.C.
Thom
Thompson, Ill.
Tinkham
Tobey
Turner
Umstead
Underwood
Vinson, Ga.
Walter
Warren
Weaver
West, Ohio
West, Tex.
Whittington
Wilcox
Willford
Williams
Wilson
Wood, Ga.
Woodrum

NOT VOTING—44

Abernethy	Crump	Lloyd	Reed, N.Y.
Almon	Douglass	McReynolds	Reid, Ill.
Andrew, Mass.	Doutrich	Mansfield	Robinson
Bacon	Evans	Montague	Smith, W.Va.
Buckbee	Fernandez	Moynihan	Stubbs
Burke, Calif.	Foulkes	Norton	Terrell
Cannon, Wis.	Gifford	O'Brien	Treadway
Chase	Hollister	O'Malley	Utterback
Claiborne	Hornor	Peavey	Wadsworth
Clarke, N.Y.	Kemp	Perkins	White
Crosser	Kleberg	Peterson	Young

So the motion of Mr. CONNERY to concur was rejected.

The following pairs were announced:

On this vote:

Mr. Doutrich (for) with Mrs. Norton (against).
Mr. Evans (for) with Mr. Montague (against).
Mr. Buckbee (for) with Mr. Abernethy (against).
Mr. Peavey (for) with Mr. O'Malley (against).
Mr. Burke of California (for) with Mr. O'Brien (against).
Mr. Chase (for) with Mr. Almon (against).
Mr. Douglass (for) with Mr. McReynolds (against).

Until further notice:

Mr. Mansfield with Mr. Treadway.
Mr. Crosser with Mr. Hollister.
Mr. Kleberg with Mr. Wadsworth.
Mr. Crump with Mr. Andrew of Massachusetts.
Mr. Kemp with Mr. Bacon.
Mr. Smith of West Virginia with Mr. Gifford.
Mr. Hornor with Mr. Clarke of New York.
Mr. Fernandez with Mr. Moynihan.
Mr. Claiborne with Mr. Reed of New York.
Mr. Terrell with Mr. Perkins.
Mr. Utterback with Mr. Reid of Illinois.
Mr. Young with Mr. Foulkes.
Mr. Cannon of Wisconsin with Mr. Robinson.
Mr. White with Mr. Peterson.
Mr. Stubbs with Mr. Lloyd.

Mr. CONNERY. Mr. Speaker, my colleague, Mr. DOUGLASS, is unavoidably absent on account of sickness in his family. If here, he would vote "aye."

Mr. BOYLAN. Mr. Speaker, the lady from New Jersey, Mrs. NORTON, is unavoidably absent on account of illness. If present, she would vote "no."

Mr. MARTIN of Massachusetts. Mr. Speaker, my colleague, Mr. ANDREW of Massachusetts, is unavoidably absent on account of illness.

Mr. DARROW. Mr. Speaker, my colleague, Mr. DOUTRICH, is absent on account of the death of his wife. If here, he would vote "aye."

The result of the vote was announced as above recorded.

Mr. WOODRUM. Mr. Speaker, there are four other amendments in disagreement, amendments nos. 11, 17, 18, and 21. They have to do with the totals that are dependent on what action is taken by the conferees. I ask unanimous consent that they be considered en bloc and that the House insist on its disagreement to these amendments in order that they may go to conference.

Mr. TABER. Does the gentleman intend to move to further insist on its disagreement to the other amendment?

Mr. WOODRUM. The one we have just considered? The vote we have just taken is equivalent to a disagreement.

Mr. GOSS. What would happen if the conferees got together on another plan?

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that the House ask for a further conference on the disagreeing votes on the independent offices appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER appointed as conferees on the part of the House Mr. WOODRUM, Mr. BOYLAN, Mr. HASTINGS, Mr. BUCHANAN, Mr. TABER, and Mr. THURSTON.

Mr. WOODRUM. Mr. Speaker, there is still amendment no. 13 in disagreement, aside from the veterans' items, having to do with giving the Attorney General power to compromise cases. The conferees when they considered that amendment came to the conclusion that they would recommend the adoption to the House, and when it came to the floor of the House some question was raised about it, and in order that the conferees may consider it I ask unanimous consent that the conferees have authority to deal with that amendment. If the conferees are able to carry out the instructions, we will be able to bring back a complete report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

On motion of Mr. WOODRUM, a motion to reconsider the vote was laid on the table.

RUSSIAN PRIMER

Mr. COCHRAN of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Speaker, yesterday during a discussion on the floor relative to communistic propaganda I stated that a teacher in a Washington public high school had read a Russian primer to the class and stated I proposed to secure the name of the teacher. My remarks could be accepted as condemning the action of the teacher. My purpose in rising today is to say I have secured from a friend a copy of the primer. Of course it is propaganda, but not offensive propaganda. It does not teach revolution; it does not advocate the destruction of governments. It is a statement of facts in relation to the 5-year plan written so Russian children would understand the plan translated in English, printed, and sold in this country.

It is rather socialistic, but I must confess we are in no position to throw stones in that direction in view of the glass houses we have constructed for ourselves. I find the book an interesting statement as to what the Soviet Government is trying to accomplish. It goes into detail as to what machinery can accomplish. Outlining a 5-year plan for children, the 10 suggestions it contains along this line cannot be assailed; in fact, the suggestions might be commended.

Mr. Speaker, I was correct when I said a teacher had read this primer to a class in a Washington high school. Had I read the primer prior to making the public statement, I would not have referred to it. I have made no attempt to learn the teacher's name, nor do I intend to, as I am convinced no harm has been done.

I will go as far as any Member of the House to oppose communism and communistic propaganda; but, finding my criticism in this instance was not warranted, I feel I owe it to the House, the people of Washington, and to the country to make this statement, which I do solely of my own accord.

CAN THE REPUBLIC LIVE?

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein an address delivered by our colleague, Mr. McGUGIN, over the radio the other evening.

The SPEAKER. Is there objection?

There was no objection.

Mr. KNUTSON. Mr. Speaker, as the extension of my remarks, I wish to insert in the RECORD a radio speech broad-

cast by the National Broadcasting Co. of our colleague, Hon. HAROLD McGUGIN, Representative from the Third District of Kansas, Saturday, June 3, 1933. It seems to me that this speech contains some thoughts which are deserving of the consideration of the Congress and the country.

The speech delivered by Mr. McGUGIN is as follows:

Friends of the radio audience, the foremost public question before the American people today is whether or not the Republic is to be preserved. He who thinks in the spirit of childish fatalism that somehow the Government will wiggle through and that all that is of importance now is our personal financial affairs is living in a false security.

No government is a stable government which is not a solvent government. The Government of the United States is getting perilously near the point of insolvency. The American people as a whole are not as able to pay taxes today as they were in 1913, yet their tax burden today is far greater than it was in 1913, and their public debt is over eight times what it was in 1913.

In 1913 the total public debt, which included the debt of the Federal Government, the States, cities, counties, and school districts, was \$4,800,000,000. By the time this special session of Congress adjourns the total public debt will be approximately \$42,400,000,000.

Not only is this \$42,400,000,000 debt a terrific burden for the people to bear but it is a great part of our wealth, which is tax exempt and bearing no part of the cost of government. In addition to these direct obligations of the Government which are tax exempt we have started the policy of setting up outside organizations, such as the Federal land banks and the Reconstruction Finance Corporation, which we call instrumentalities of the Government. These organizations are authorized to sell their bonds, which are also tax exempt. No one knows how many billions of dollars of tax-exempt securities these special corporations now have outstanding, or will have in the near future. It is probably safe to say that there is either now in existence or authorized at least \$50,000,000,000 worth of the tax-exempt securities in the United States. This means that a tremendous part of our property under present values is exempt from any taxation.

Every thoughtful person recognizes the menace of tax-exempt securities in such great proportions. It may be good politics to abuse the men and women who own these tax-exempt securities, yet, the facts are that the people who buy tax-exempt securities are not the ones to be blamed. The ones to be blamed are the officials who issue them and the people who demand money from the Public Treasury, which can only be obtained by the Government borrowing money. So long as the Government spends more money than it takes in it must borrow money. So long as it borrows money it must issue tax-exempt securities, otherwise the rate of interest paid by the Government would be increased. When that would happen, not only the tax burden to meet the interest would increase, but the interest rate on private debts would increase accordingly. No one is going to lend money to individuals and take the chance of loss and receive the same rate of interest which he can receive from the Government.

This special session of Congress has authorized the issuing of about \$10,000,000,000 of tax-exempt securities, five billion of which are the direct obligation of the Government and between four and five billion of which are to be issued by these outside organizations, called instrumentalities of the Government. Every dollar of these \$10,000,000,000 of new tax-exempt securities is to be issued as the direct result of the universal demand that the Government bear our financial responsibilities.

With the present public debt at approximately \$42,400,000,000 this means \$353 for each man, woman, and child as compared to \$43.50 for each man, woman, and child in 1913. With our millions of unemployed, it is safe to say that in actual practice this debt is weighing more heavily upon them than any other class of our citizens. It is true that they may not directly pay through the window of the public tax collector. However, millions of these unemployed are today out of work because productive industry cannot bear this tax burden. As a result, productive industry is not operating and millions of these people are out of work. In brief, there are millions of people out of work today, hungry, and in destitution, as a direct result of the staggering public debt.

Let us view the financial condition of the Government at Washington in the matter of its permanent debt. At the end of the war the Government owed approximately \$27,000,000,000. In 1930 it owed \$16,200,000,000. In the middle of March of this year it owed \$22,000,000,000. To this \$22,000,000,000 there is being incurred an additional debt of \$5,000,000,000 by this special session of Congress. This will mean that the debt of the Government of the United States has increased from \$16,200,000,000 in the year 1930 to approximately \$27,000,000,000 by June 30, 1933, as compared with a national debt of \$1,000,000,000 in 1913.

Now, this staggering debt challenges the thought and apprehension of every thoughtful and patriotic citizen. The preservation of the Government given to us by our forefathers inescapably demands that we immediately start on the program of reducing the public debt rather than increasing the public debt. If we are to preserve the Republic, we must now consider what must be done in order to reduce the public debt. A year ago it was imperative that the current expenses of the Government be reduced. That meant that there had to be a reduction in the amount of money paid from the Public Treasury to every beneficiary of the Public Treasury.

For my part I have stood foursquare for adequate and proper reductions in money paid from the Public Treasury. I am firmly convinced that after President Roosevelt has carried out his program of reorganization of the Government, we cannot expect many more substantial reductions from the public pay roll. I am firmly convinced that we cannot expect as many reductions in the veteran expenditures as are now being attempted. Therefore we must now look to other sources to effect sufficient savings in the governmental expenses in order to balance the revenue and expenses of the Government and to reduce the debt.

When we do this we must make our reductions in the things for which we are spending money. What are the things for which we are spending money at this time? They are advancements from the Public Treasury for the purpose of taking care of the private obligations and responsibilities of the people of the country. Carrying on such a program leads first to the complete destruction of the Government and then leaving the people individually in a worse position than they were when they set forth to heap their personal burdens upon the Government.

Now, in the case of a government which coins money and prints currency, what does it do when it cannot meet its obligations? Does it just refuse to pay them, as does an individual or a governmental unit which does not coin money? No. It merely prints currency and wipes out its debts. The more currency which is printed, the less value is the currency when exchanged for commodities. When that program is carried far enough, the people are unable to obtain enough money to buy the necessities of life. When that occasion arises, human suffering exists in the congested centers beyond human endurance. It is then that the social order breaks down. That is the background of the French adage, "The printing press and then the guillotine."

The Federal Government at Washington has already started out on this program. Under existing conditions I think the program which the Government has started upon is necessary and all right providing it is held in bounds. By the first of the year 1933 the American dollar, measured in the usual value of commodities, had reached a point where it was worth \$1.62. The United States is now off the gold standard. The dollar is going down in value. It seems to me that it is all right for the dollar to descend in value until it reaches the point where it is worth 100 cents, when exchanged for commodities, but if it goes beyond that point, our peril is only to be measured by the extent that the dollar goes below a value of 100 cents when exchanged for commodities. In other words, if the inflation gets away from us, we will experience what Germany experienced after the war, and what the Thirteen Colonies experienced during and following the Revolutionary War. Inflation can reach a point where a \$10 bill will not buy a breakfast. If ever inflation runs wild in this country, the distress and the despair of the American people will be manifold that which they have as yet experienced.

No government ever went into wild inflation except that it had a debt which it could not meet in any other manner. We have undertaken to guard against this evil event by placing full control of our money in the hands of President Roosevelt. In my judgment, this is our only hope to save us from an excessive inflation. However, if the public debt continues to mount, President Roosevelt will be as helpless as a child in trying to hold the inflation in bounds. After all this is a democracy. In the end, the people are going to do what they want to do. There is no way to place sufficient power in the hands of the President so that he can prevent the people from destroying themselves if they are determined to do so.

This last emergency bill of \$3,300,000,000 must be the end of our efforts to bring ourselves out of our present despair through the aid of government. It seems to me that it is our last desperate struggle. If, after this money is expended, the people are not able to care for themselves and in turn support the Government, we may as well resign ourselves to whatever may be our fate with the passing of the Republic.

If this \$3,300,000,000 proves to be a stop-gap and is the means of tiding us over until the usual order is reestablished, it will have been worth the effort. With our monetary reform to date we are getting an increase in our price level. It is hoped that this increase in the price level will place the producers of farm and mineral products upon their feet. It is to be hoped that \$3,300,000,000 of public works will tide over the unemployed pending the time when the producers of the raw products of the farm and the mine sufficiently recover financially to be able to buy the products of industry and thereby restore employment for many of the unemployed.

The most menacing thing in American life today is the utter dependence which seems to exist in the minds of our people. Unless this public thought can be changed there is no hope to save the Republic we have known. On May 2 and 3 of this year an association of college graduates met in Washington. This association passed a resolution demanding that it was the obligation of government to provide a subsistence for college graduates specifically mentioning school teachers, doctors, dentists, nurses, lawyers, architects, chemists, and engineers. Now, when in a country college graduates cannot some way take care of themselves, then that country is about at the end of its road.

We also see captains of finance and industry coming before the Congress under the white flag of surrender and asking the Government to give to their institutions financial support and governmental management. It looks as if all the officers in the once proud economic army of America are surrendering. When any government takes over the responsibility of operating industry,

financing industry and furnishing employment to the people, that government ceases to be a republic and becomes a communistic government. All that there is to communism is that it is a government wherein all the people work for the government; therefore, the government must own and operate all productive industry. The price which any people must pay for such a government is a surrender of their personal and human liberty. Strange as it may seem, those who advocate the socialistic principle, profess to be the greatest liberals, yet they are advocating a principle which leads to the most tyrannical society and the greatest destruction of human liberty yet to be found in recorded history. In proportion to the extent the people turn to the government for support and subsistence they give up their liberty.

Since the 4th of March the people of the United States have demanded and received more relief from their Government and more governmental control over their business and lives than they have ever heretofore demanded from the Government. Likewise, since the 4th of March we have seen the people surrender more of their liberties to the President of the United States than have ever been surrendered before in the history of the country. So today, in our own country, in proportion to our increased dependence upon the Government, we have surrendered our liberties.

It is the hope of every patriotic citizen that President Roosevelt is going to be able to exercise these powers as a means of restoring the liberties of the people. We all know that that is his ambition. We all know that he has no dream of dynasty. If he fails, we are bound to awaken one day to find that our liberties are not being temporarily held in trust by a President but held in fee by someone not chosen by the people. Unless we can quickly get this Government on a solvent basis he will fail. The Government will be on a solvent basis whenever the people in all walks of life support themselves and in addition thereto contribute enough to the Government to meet the current expenses of government and in an orderly manner retire the debt already incurred.

HITLER'S AMERICAN ALLY, ST. JOHN GAFFNEY

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in reference to the persecution of the Jews, and to include therein excerpts from articles appearing in the New York Journal, the New York Sun, and the New York Times, and certain correspondence from Mr. McGRATH.

The SPEAKER. Is there objection?

There was no objection.

Mr. KRAMER. Mr. Speaker, I represent the Thirteenth District of California, in which reside approximately 50,000 citizens of the Jewish faith of German extraction. These people are law-abiding, honorable citizens, and they are a credit to the community in which they live. They contribute largely to the making of the city of Los Angeles, which is the largest metropolitan city on the Pacific coast. These citizens resent the persecution of the Jews in Germany, as do all Americans who are opposed to intolerance. They are greatly exercised over the tragic situation which is today confronting the Jewish race in Germany. They have tried to remain silent, thinking possibly the reports from the German Republic were exaggerated, but since positive proof has been forthcoming they have become all the more resentful of this terrible persecution of an innocent people.

An organization was formed in Los Angeles by the Jewish people to oppose this horrible treatment of the Jews. Rabbi Edgar F. Magnin was elected chairman, and they did me the honor of electing me honorary vice chairman. I have been informed from time to time by this organization that mass meetings were being held, and so many people of all creeds—Jews, Protestants, and Catholics—turned out for these meetings that thousands had to be turned away.

A pamphlet was sent to me by a Mr. T. St. John Gaffney, who was an American consul in Germany some years ago, and who I understand was removed from office during the administration of President Wilson. The object in sending out this pamphlet apparently was to minimize and make excuses for the Hitler atrocities. It would seem quite clear to the average person reading over this pamphlet that it is not worthy of any consideration, as I feel that the statements contained therein have been greatly exaggerated.

I wish to include as part of my remarks the following excerpts from various newspapers in New York, published in 1915, which will give my listeners an idea of the caliber of this man, Mr. T. St. John Gaffney:

[New York Times, Sept. 29, 1915]

The newspapers toward the end of September 1915 carried dispatches from Washington stating that the State Department had decided to ask for the resignation of T. St. John Gaffney, United

States consul general at Munich. It was charged that Gaffney showed partisanship in the manner in which he handled the business of his office, which was also in charge of British consular affairs in Munich. It was charged that he wrote anti-British articles for publication, also a commendatory letter for publication in Germany, which had been running a series of articles attacking the American Government, specifically Secretary of State Bryan, for the attitude of neutrality in the war. It was said that these statements also reflected upon President Wilson's policies. Another charge was that a letter from an officer of an Irish-American society had been sent to Germany in the consular pouch of the Austro-Hungarian consulate instead of through the regular State Department pouch. Another charge against G. was that he had entertained Sir Roger Casement at a dinner in Munich after Casement had left the British consular service and initiated a movement for the liberation of Ireland with the help of Germany.

[New York Sun, Sept. 26, 1915]

Americans caught in Germany at the outbreak of the war had complained to the State Department of G.'s partisan attitude. It was said that he showed such intense sympathy with the German cause as to make him offensive to many British subjects in Germany whom he was officially required to aid, the United States having taken over the consular and diplomatic interests of Great Britain.

[The Herald, Sept. 28, 1915]

At the outset of the war G. made an official visit to England for the inspection of prison camps there, and his criticism of the British brought forth a complaint from the British Government. The representatives of other allied governments had also complained about G. to the Washington administration. It was recalled that G.'s career had been a stormy one almost from the time of his appointment by President Roosevelt in 1905. The question of his removal had come up in 1913, but he was then transferred from Dresden to Munich.

[New York World, June 19, 1915]

G. wrote an open letter which was published in the New York World denying that Americans were ill treated in Germany and criticizing conditions in England, Russia, and Italy. In the course of this letter G. declared: "In England strikes and riots and the tax on unfortunate civilians are a daily occurrence." He accused the American press of publishing and accepting at their face value dispatches which he alleged were "fabricated" in London, Paris, or Petrograd, and he warned that such publicity endangered German-American friendship.

[New York World, Sept. 29, 1915]

The letter which it was charged was sent to Germany in the Austro-Hungarian pouch was written by Dennis A. Spellissy, an officer of the Irish National Volunteers. At the same time the German and Austro-Hungarian Ambassadors were complaining of their inability to communicate with their capitals.

[New York Times, Nov. 29, 1915]

Upon his return to the United States, toward the end of November 1915, G. vociferously complained to fellow passengers on the ship that he was not being justly treated by the State Department. He flatly denied all the charges which had been published in the newspapers. In answer to the charge of rudeness to American and British citizens, he alleged that the facilities of his office were so overtaxed that it was not possible for him in the early days after the outbreak of the war to give the proper attention to all applicants; volunteer workers lacking in training had to be engaged, and some of these may not have been courteous to those who called at the consulate. As for the letter sent by the officer of an Irish-American organization, G. protested absolute ignorance and said he had never received the letter in question, nor was it true that he had entertained Sir Roger Casement; he had given a dinner in honor of former Mayor MacLellan, of New York, at whose request he had invited Casement. Mr. G., however, did not deny his anti-British and pro-German sympathies.

[New York Times, Aug. 30, 1916]

It appears that G. went back to Munich after spending some time in the United States and returned to the country in August 1916, when he gained a great deal of notoriety by attacking the United States Government's policies on shipboard. To the disgust of a number of passengers he openly approved the Zeppelin raids and the sinking of the *Lusitania*.

[New York Times, Feb. 7, 1917]

In a wireless dispatch from Berlin the foundation of a German-Irish association in that city is reported. The association is presided over by Herr Mathias Erzberger (then head of the Conservative Party), Count Von Westart (then head of the Pan German Party); the board of directors included Herr Ernst Wesserman (then head of the National Liberal Party), Prince Bluecher (who was supposed to represent the Kaiser), and T. St. John Gaffney.

[New York Tribune, Feb. 19, 1918]

A year later G. was dropped from membership in a Republican club in New York City, ostensibly for nonpayment of dues. A member of the war committee of the club, however, said that the club was satisfied that since April 1917 G. had been traveling between Berlin and Stockholm as a German propagandist.

[New York Times, Jan. 26, 1930]

In the February 1930 Current History G. published an article in which was included the text of a letter he had received from the

Kaiser in which the chief point made was a denial that there had ever been such a thing as the Potsdam crown war council. In this article G. ardently defended the Kaiser against the war-guilt charge.

[New York Times]

In the March 1930 Current History G. published another article protesting against article 231 of the treaty of Versailles, in which Germany accepts the blame for the outbreak of the war.

[New York Times, Feb. 19, 1933]

In February 1933 G. gave to the press the text of a letter on technocracy which he had received from the Kaiser.

Mr. Speaker, it is my earnest desire that this country use its good offices to put an end to this intolerable situation. May we all join with these good people in the hope that our Government will express itself to the Government of the German Republic in behalf of the individual rights of the citizens of all faiths.

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

Mr. BYRNS. Mr. Speaker, the gentleman has that permission already. I object.

Mr. FISH. I simply ask the same right that other Members are asking.

Mr. BYRNS. I object. The gentleman has the same opportunity that other Members have.

POSTAL LEGISLATION—SEVENTY-THIRD CONGRESS

Mr. WITHROW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an address delivered over the radio at noon today by the Chairman of the Committee on the Post Office and Post Roads, the gentleman from New York [Mr. MEAD], relative to postal legislation in the Seventy-third Congress.

The SPEAKER. Is there objection?

There was no objection.

Mr. WITHROW. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered over the radio at noon today by the Chairman of the Committee on the Post Office and Post Roads, the gentleman from New York [Mr. MEAD], relative to postal legislation in the Seventy-third Congress:

In opening I congratulate the postal workers upon their efficiency and loyalty and assure them of the continued consideration and appreciation of the Committee on the Post Office and Post Roads of the House of Representatives.

The history of our Postal Service is the history of the postal workers. It is their unflinching adherence to the traditions of dependability, courage, and loyalty which has made possible the expansion of the service. The postal employees are gamely making sacrifices today to save that big industry in its present-day perfection for the country, and it is only right that the public should realize and understand their hardships so that they may extend cooperation.

Judging from the number of letters which I receive each day from post-office employees inquiring as to how the bills before Congress will affect them, I thought you might be interested in a résumé of this session's postal legislation, although the measures we have been forced to consider in order to balance the country's Budget are not the kind we have enjoyed passing. And while it is true that our salaries are being reduced, it is also a source of satisfaction that the Postal Service is successfully holding its big family together during the present widespread economic crisis.

I believe the Department will weather the storm without dismissing any of its efficient, faithful, regular employees. This will be permissible because of the number of retirements effective July 1 next and also because of the desire of the Postmaster General to share the work by use of the rotative furlough.

In its program to reduce the postal deficit, the Department has pledged itself not to discharge employees nor to impair the service. Speaking at a recent meeting, the Postmaster General's executive assistant stated, "Whatever reduction of force may be necessary in the Postal Service will be accomplished in the main by voluntary retirement, by cutting down the hours of labor or the hours of duty of clerks, city carriers, and supervisory employees, and by lowering the allowances of rural carriers, not by dismissing them."

The single exception mentioned referred to the clerks at those second-class post offices which will be relegated to the third class on July 1 as a result of the decreased postal receipts during the past calendar year; and even in those cases the Department is making a strong appeal to the postmasters to retain the present personnel whenever possible.

THE ECONOMY ACT

I shall dwell but briefly upon the provisions of the Economy Act which became effective April 1 of this year and will continue in force during the fiscal year 1934. It provides, as you know, for pay cuts based upon the cost of living, such reductions not to

exceed 15 percent. It continues the provisions of the previous Economy Act of a year ago suspending automatic promotions and the filling of vacancies, reducing travel allowances, and permitting the temporary interchange of assignments among postal employees without change of pay-roll status.

It does away with the 24-day legislative furlough which created so many difficulties, restores annual leave with pay, restores the full night-work differential, and removes the restriction against the payment of a higher rate of compensation for overtime work.

With a restoration of the 1926 price levels and an increase of postal business wages and working conditions in the Post Office will return to normal again.

In keeping with the economic trend of our time I predict a 5-day week for postal workers, and to correct the abuses of this machine age in which we live a shorter workday and a shorter workweek will soon be enjoyed by the workers generally throughout America.

RETIREMENT

Probably no subject is of greater interest right now than retirement.

The independent offices appropriation bill, which is still under consideration, contains legislation on this subject. It provides that until July 1, 1935, any civil service employee who has an aggregate period of service of at least 30 years to his credit may be separated from the service with full annuity. From this amount 3½ percent will be deducted until he reaches the age prescribed in the Retirement Act for automatic separation.

Should the annuitant be reemployed in the service of the Government before reaching retirement age, the pension provided by this bill shall cease, and his subsequent annuity rights shall be determined in accordance with the provisions of the retirement law applicable at the time of his later separation from the service.

In the words of the Director of the Budget, "The provision authorizing the retirement, with retirement privileges, of Federal employees who have been in the service 30 years is for the purpose of meeting the situation which will develop under the retrenchment program. It is not contemplated, under the provision of the act, that those who have been in the service more than 30 years will be of necessity discharged. The President is given broad power to except those who have been in the service 30 years or more."

Annuities of 30-year employees who are involuntarily separated from the service are protected by the bill, and it is understood that this authority will be used to reduce the personnel only where necessary in order to avoid dismissals.

ROTATIVE FURLOUGH

The independent offices appropriation bill repeals the former administrative furlough and provides a new furlough plan to avoid the necessity of making discharges when there are more employees than the needs of the service require.

This plan is to divide the work among all the officers and employees in rotation, placing workers on furlough where necessary to carry out this idea, but not furloughing anyone for more than 90 days during the fiscal year.

The President is directed to issue rules and regulations in this respect so that the action taken by all departments and establishments will be uniform in applying the furlough.

Because of the difficulties which would arise were the furlough applied in the Rural Delivery Service, the bill does not apply in this connection to rural carriers, but, instead, authorizes the President to reduce or suspend their equipment allowance during the fiscal year.

I feel confident that this furlough authority will be exercised with discretion and put into operation only when the choice lies between furloughing or dismissing employees.

POSTAL RATES

The changes in legislation which I have just mentioned were recommended as necessary in view of existing conditions. Personally, I wish there were other ways of paring our Budget so as not to disturb the incomes of the lower salaried employees who need every penny to make ends meet. However, while salaries are being reduced, at the same time we are looking forward to means of restoring these reductions before long. Although it appears necessary to reduce expenses at this time, this retrenchment is also serving as a foundation for going forward and building up business which will justify legislation of the future to increase the opportunities offered by the Postal Service.

One of our chief objectives at this time is building up the volume of mail business. We have the skilled employees, the equipment, the space, and the facilities to handle many times the present volume without increasing expenses.

Raising first-class postal rates from 2 to 3 cents was a mistake. It has cost us millions of dollars. Large mailers are using the third-class instead of the first-class. Many of them have forsaken the Postal Service entirely, using their own employees for the delivery of local matter which formerly went through the mails at the lower rate. To win back this business we must restore the 2-cent rate!

Within the past few days Congress sent a bill to the President reducing the rate from 3 to 2 cents an ounce on first-class mail matter addressed for local delivery. I believe the results of this reduction will warrant reducing all first-class postage to 2 cents before long. This bill will give the President authority to make such a reduction.

In addition to restoring the 2-cent rate on local first-class mail matter the bill also gives the President authority during the next fiscal year to modify other rates of postage—including second-, third-, and fourth-class postage—as seems advisable, and to make corresponding modifications in the percentages of gross postal receipts to be counted in determining the classification of post offices and salaries of postmasters.

With the reduction from 3 to 2 cents on local first-class matter, 90 percent of the gross postal receipts are to be counted in determining the classification of offices having city or village delivery service.

The Post Office Department needs more mail volume. Volume will reduce the unit cost of handling the mail. We can take on \$100,000,000 worth of additional mail matter without materially increasing the expenses of the Department. To secure such additional mail volume our postage rates must not be excessive. After July 1, when 2-cent postage on local letters becomes effective, I am convinced that postal volume and postal revenues will increase.

We have some welcome reports in this respect already. For the first time since the depression the reports indicate that postal receipts are increasing all over the country, which means that business is reviving, as postal receipts are a dependable barometer of business. The receipts during the month of May at 50 selected offices showed a gain of 3.63 percent as compared with the same month a year ago. The highest percentage (18.64 percent, or \$94,510.57) of increase was at Kansas City, Mo., although New York City showed the largest actual increase in dollars—\$390,148.29, or 8.28 percent.

CONCLUSION

And now a word to my other listeners who are not postal employees.

The Postal Service is not a profit-making enterprise; it is here to serve. It has played an important part in every development in our country's history. Daily it brings the news to your door. Daily it delivers your messages across country and even across seas. It functions so efficiently that you probably take its operations as a matter of course and do not stop to realize the enormous scope of the postal activities.

Here is a service unsurpassed in efficiency, maintained for your benefit, and affording employment to hundreds of thousands of American citizens. It requires your cooperation, however, to keep this service operating. Won't you do your part by making use of its facilities?

Mr. BLACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, including therein the program and policies of the Steuben Society of America.

Mr. FISH. Mr. Speaker, I object.

GRASSHOPPERS

Mr. SHOEMAKER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHOEMAKER. Mr. Speaker, we are just beginning to be swamped with telegrams from the States of Minnesota, North Dakota, and generally throughout the Northwest, to the effect that grasshoppers are coming out and raising havoc with our crops. We have made absolutely no provision in the way of appropriation to cover that situation. I appeal to the Committee on Appropriations to report favorably a resolution which lies on the desk, introduced by the gentleman from North Dakota [Mr. LEMKE]. I ask unanimous consent for its present consideration.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. BLANTON. Mr. Speaker, this measure, which is House Joint Resolution No. 203, introduced by our colleague from North Dakota [Mr. LEMKE] on June 9, 1933, proposes to appropriate the large sum of \$980,000 "for control of the grasshopper." That is quite a sum of money to spend on grasshoppers. It is practically a million dollars. If we had plenty of money in the Treasury, and did not have to further tax the people to get it, possibly the matter would be worthy of consideration. But this bill has not yet received the favorable consideration of a committee. It has not yet been reported and put on the calendar.

Until we take the 2-cent tax off of bank checks, which in the first place never should have been levied, I am not in favor of appropriating \$980,000 on any grasshopper program.

Until we repeal the law that requires 3 cents postage on first-class mail, and again return to the sane practice of sending a letter anywhere in the United States for 2 cents, I am not in favor of wasting \$980,000 trying to control grasshoppers.

Until we are able to unburden the people from the many nuisance taxes which now hang heavily upon their shoulders, I am not willing to further tax the people to raise this additional \$980,000 for somebody to waste messing around with grasshoppers.

The people in King Pharaoh's time were plagued with grasshoppers. There have been grasshoppers in all of the centuries that have passed since then. We have them now, and we will always have them. We could waste 10 times this \$980,000 and we would not control them. I am not in favor of spending this nearly a million dollars on grasshoppers, hence I object.

Mr. SHOEMAKER. If it was for the boll weevil, would the gentleman from Texas object?

Mr. BLANTON. Yes, I would. I am against spending any money that is not absolutely necessary. I object to spending nearly a million dollars for any such purpose at the present time. We who have charge of the business of this Government, before we spend any sum of money, ought to stop and first ask ourselves the question: "Is this necessary; can we do without it?" That is the plan we pursue with respect to our own personal affairs, if we keep our debts paid, and that is the plan we should pursue with respect to all business of the Government. In no other way will we keep this Government out of bankruptcy. I therefore object. The people of the United States do not want \$980,000 of their tax money spent for this purpose at this particular crucial time in our history.

I regret having to deny the request of the gentleman from Minnesota, but this bill ought not to pass. This million dollars should be saved for the people. I therefore object to this bill being considered.

ORDER OF BUSINESS

Mr. MAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman has that permission already.

Mr. LUNDEEN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute on the subject of veterans.

The SPEAKER. Is there objection?

Mr. BLANTON. Mr. Speaker, that is a rather large subject and we have just finished a discussion of it.

Mr. LUNDEEN. Then I shall make a parliamentary inquiry. Mr. Speaker, we have two petitions on the Speaker's table, one a petition to discharge the committee from further consideration of the soldiers' adjusted compensation bill (H.R. 1), and the other referring to the repeal of the Economy Act (H.R. 5393). My parliamentary inquiry is this, Will the signatures that are on those petitions remain there until the next regular session, and may they be added to then?

The SPEAKER. They will remain as they are.

Mr. LUNDEEN. I call the attention of Members of the House to those two petitions and ask their signatures.

I filed these two petitions to discharge the committees handling these two bills, and I made a strenuous effort to bring these two bills before the House of Representatives for action in order that something might be done for the veterans of America and for the Federal employees. I want the country to understand that when a bill has remained in a committee for 30 legislative days, slumbering away there without any action being taken, dying away, as it were, any Member of the House may petition to discharge the committee and bring the bill before the House; and if 145 Members attach their signatures to the petition, the committee is automatically discharged and the bill brought before the House.

A short time ago there was a move on foot to raise the number of signatures required from 145 to a majority of the 435 Members of the House, making it almost impossible for any Member to resurrect a bill pigeonholed in some committee. This move was defeated and the 145 rule still stands.

Is it not strange that in this land of democracy the Steiwer-Cutting amendment, which was debated for hours yesterday in the United States Senate, and which was

passed by the United States Senate by a vote of 51 to 39, giving something between thirty and seventy million dollars more money to the veterans of America—I say, is it not strange that when this bill comes to the House of Representatives, with its two-thirds Democratic majority, immediately we are all muzzled; that the previous question is immediately ordered and all debate is shut off, so that no one can speak for improved conditions for the soldiers of America who wore the country's uniform in time of war?

The gentleman from Texas, in stating that "we have just finished a discussion of it", is in error. There was no discussion of this question at all in the House. The previous question shut off all discussion of this soldiers' legislation. I say we were muzzled by this Democratic majority. Free discussion was prevented, and we were forced to a roll call without any discussion.

I want the RECORD to show that I am opposed to this kind of procedure, and I am astonished, when a Member of this House asks consent to proceed for the very short period of 1 minute on the subject of the veterans of America, that any Member of this House should object, and make an erroneous statement that there has been a discussion of this subject, when there was no discussion at all. If Members of Congress refuse to debate the subject of veterans' legislation here, I will venture this: That soldier lads will come marching into Congress to replace sitting Members who voted against soldier legislation and who voted against discussion of soldiers' legislation upon this floor.

I want the country to know that I am for complete and absolute repeal of the "Economy League" bill known as "An act to maintain the credit of the United States Government", and which I wish to refer to as "An act to discredit the Government of the United States", for surely the Government can gain no honor or glory by throwing soldiers out of their hospital beds and reducing hundreds of thousands of men to abject poverty and destitution and sending them to the soup line. I want the soldiers of the country to know that I am making a last-ditch fight for every veteran of every war in America, and I want the Federal employees to know that I have stood with them on every question before this House. The faithful service rendered by the Federal employees entitles them to a living American wage while they are serving the country and to a decent, respectable pension when they have retired.

The soldiers of America who were sent forth to war—Civil War, Spanish War, World War, or whatever struggle may be mentioned in which we have engaged—these men are the forgotten men today. It may not have been clear to the country when the future president spoke of the forgotten man during the campaign, but it may well have been that the forgotten man was a soldier and it seems to me that the forgotten man is the soldier of America, the Federal employee, and the man who served the Government. And it seems to me that we are forgetting the veterans and Federal employees and remembering instead foreigners, kings, and emperors across the ocean, and empires. We remembered them in 1926, when we cut more than 50 percent off their debts, incurred during the war and after the war—a total amount of \$12,097,667,000 as shown by the speech of Senator Howell, of Nebraska, in 1932—himself a Spanish-American War veteran, a brilliant Senator, and a good American. And now we are remembering Europe by accepting less than 10 percent—because that is what it amounts to when the payment in silver is considered—and that in the face of the fact that the foreign countries tell us they will pay no more than 10 percent, and refer to the Lausanne agreement, and use the same argument that was used in the discussions concerning Germany, so that the balance of the amount due this country, of which more than one half had already been canceled in 1926, is to be cut down to a dime on the dollar, or less.

It cannot be said that we are accepting this on account, and that we are not canceling, and that only Congress can cancel, because the foreign countries state specifically that they are paying this small amount with the definite and specific understanding that it is to be on the terms of the

Lausanne agreement—10 percent, or less than 10 percent, since the payments are being made in silver. And the chief gentleman carrying on the negotiations as unofficial Ambassador to Europe is Norman H. Davis, many times on the J. Pierpont Morgan & Co. preferred list, propagandist, and fugitive from justice, as shown by Congressman TINKHAM's speech on this floor, and those who were associated with him in Europe are still there, evidently carrying out the wishes of the great banking House of Morgan to the detriment of this country. I sincerely hope that the four distinguished appointed delegates will undo the damage done by Mr. Davis and his associates, and represent America to the end that this money will be paid into our empty Treasury. That might help to balance the Budget.

The Democratic membership may shut off discussion on soldiers' legislation in this House now, but they are not going to be able to shut off discussion in the 1934 campaign and in the 1936 campaign. The soldiers of America and their friends will speak then, and it is my belief they will speak in no uncertain language.

CIRCUIT JUDGE FOR THE NINTH JUDICIAL CIRCUIT

Mr. LEWIS of Colorado. Mr. Speaker, I move to suspend the rules and pass the bill (S. 813) to remove the limitation on the filling of the vacancy in the office of senior circuit judge for the ninth judicial circuit, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That the President is authorized, by and with the advice and consent of the Senate, to appoint a circuit judge to fill the vacancy in the United States Circuit Court of Appeals for the Ninth Judicial Circuit occasioned by the death of Hon. William B. Gilbert. A vacancy occurring at any time in the office of circuit judge referred to in this section is authorized to be filled.

The SPEAKER. Is a second demanded?

Mr. BLANTON. Mr. Speaker, I demand a second.

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Colorado is entitled to 20 minutes and the gentleman from Texas to 20 minutes.

Mr. LEWIS of Colorado. Mr. Speaker, this bill is to restore to the ninth circuit a fourth judge, who has been there for several years. Under the act of 1929 creating the fourth judgeship it was provided that upon the death of the senior circuit judge such vacancy should not be filled unless authorized by Congress. The senior circuit judge has died. This bill authorizes the filling of the vacancy. The ninth circuit has a greater amount of business than most of the circuits in this country.

I quote from the report of the Judiciary Committee of the House:

The Committee on the Judiciary, to whom was referred the bill (S. 813) to remove the limitation on the filling of the vacancy in the office of senior circuit judge for the ninth judicial circuit, after consideration, reports the same to the House with the recommendation that the bill do pass.

This bill authorizes the appointment of a circuit judge for the ninth circuit to succeed Hon. William B. Gilbert, deceased. Such appointment, under existing law, is prevented by a limitation in section 2, chapter 413, Forty-fifth Statutes 1414. There are now three circuit judges in the circuit. Your committee is of the opinion that four judges are required properly to discharge the business of the circuit court of appeals.

The ninth circuit is composed of the following States: Arizona, California, Idaho, Montana, Nevada, Oregon, and Washington, and the Territories of Hawaii and Alaska. The court also hears appeals from the United States Court for China.

From information furnished the committee by the State Bar of California, the following appears:

"The population of the ninth circuit has increased from 3,204,752 in 1900 to 10,131,325 in 1930.

"In 1900 there were 11 district judges within the circuit, while there are now 28.

"During the fiscal years 1900-29 the Circuit Court of Appeals for the Ninth Circuit has disposed of more cases than any other circuit except the second, where there are now 6 judges, and the eighth, which was recently divided into 2 circuits, the new eighth with 6 judges (1 retired) and the tenth with 4 judges."

The report of the judicial conference, published in the Annual Report of the Attorney General for the fiscal year 1932, page 8, contains this paragraph:

"There is, however, a special exigency in the ninth circuit, where there are at present only two circuit judges. The pressure of the work of the district courts is such that district judges are not available to carry on continuously the work of the circuit court of appeals. As a result, it appears that the court has been compelled at times to sit with only two judges. To provide adequate service in that court there should not only be a successor to fill the vacancy caused by the death of Judge Rudkin but there should be a removal of the existing limitation upon the appointment of a successor to Judge Gilbert (act of Mar. 1, 1929, c. 413, secs. 1 and 2, 45 Stat. 1414; U.S.C., title 28, sec. 213 (b)). The conference renews its recommendation to this effect."

The Attorney General also favors this proposed legislation as indicated by the following excerpt from a communication which he addressed to the Chairman of the Senate Judiciary Committee under date of May 2, 1933:

"For the past 3 years the conference of senior circuit judges has recommended legislation to provide for the appointment of a successor to Judge Gilbert and this Department has several times expressed its approval of such legislation. The Department file on this matter contains resolutions urging enactment of legislation to provide for the appointment of a fourth judge in the ninth circuit from the Bar Association of San Francisco and the Montana State Bar Association. The material at hand convinces me of the necessity for this legislation."

Justice William H. Sawtelle, of the ninth circuit, in citing the fact that the work of the court in 10 years increased 58 percent; that from 192 cases docketed in 1921, there were 327 cases in the fiscal year 1931; that in 1900 the ninth circuit reviewed the decisions of 11 United States district judges, whereas in 1930 it reviewed the decisions of 28 district judges, concluded:

"If we are not given an additional judge one of three things must happen—

"(1) We must continue to work overtime at the risk of impairing our health.

"(2) We must let the work get behind.

"(3) We must turn out opinions without giving them the consideration that their importance warrants."

This bill has been urged by the Attorney General. It is approved and urged by the bar associations of the ninth judicial circuit. It is urged by the Attorney General. It has been passed by the Senate. It has been reported favorably by the Committee on the Judiciary.

Mr. TARVER. Will the gentleman yield?

Mr. LEWIS of Colorado. I yield.

Mr. TARVER. Is it not true that quite a large number of new Federal judges have been urged by the Department of Justice, and in what respect does the judgeship in which the gentleman is interested differ from some score of others which have been recommended by the Department during the last year or two.

Mr. LEWIS of Colorado. I may say to my distinguished friend that it differs in this respect: That the judicial conference and the Attorney General have not urged any additional circuit judges, as far as I am informed, except this one.

Mr. TARVER. Oh, the gentleman is mistaken. They have urged quite a number of circuit judges as well as district judges.

Mr. LEWIS of Colorado. Circuit judges? That is not my information, and such is not the report of the judicial conference, headed by Chief Justice Hughes.

Mr. BLANTON. Will the gentleman yield?

Mr. LEWIS of Colorado. I yield.

Mr. BLANTON. The gentleman was not here when this fourth judge was provided for the California circuit.

Mr. LEWIS of Colorado. May I interpose, this is not merely for California but it is for the entire ninth judicial circuit, comprising 7 States and 2 Territories.

Mr. BLANTON. But if the gentleman had been here he would remember there was a sick judge out there who was not able to transact business, and they came here and asked for an extra judge to fill his place during his lifetime. They assured Congress at that time that when the sick judge died there would not be a successor appointed for him; that that would end it. Why do they not keep faith with the Congress? Why do they come here now and ask for another? I do not think it is fair, either to the Congress or to the people of the United States.

Mrs. KAHN. Will the gentleman yield?

Mr. LEWIS of Colorado. I yield.

Mrs. KAHN. Might I say that when the other judge was appointed, the population of the ninth judicial circuit at that time was 3,204,000? It has increased to 10,131,325

in 10 years. There were 11 district judges then within the circuit. There are now 28. Those men have on an average of nearly 100 cases a year to decide, which is entirely too many for any judge to pass upon.

Mr. BLANTON. Will the gentleman yield further?

Mr. LEWIS of Colorado. Certainly.

Mr. BLANTON. Does the gentleman know anything about what time those three Federal judges are busy each year? Possibly if they worked a few more hours each week there would be no congestion. I am afraid they are idle much of the time.

Mrs. KAHN. They may do that in the Texas circuit, but they do not do it in the ninth circuit. [Laughter and applause.]

Mr. BLANTON. My experience has been that if they would really do a day's work about 5 days a week, about 4 weeks a month, and about 10 or 11 months in the year they could take care of every bit of business out there.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. LEWIS of Colorado. I yield.

Mr. ZIONCHECK. I want to call to the attention of the gentleman from Texas the fact that out in the West we have a great many interstate commerce cases and bus cases, and that the law requires 3 judges to sit upon those cases, 1 judge from the circuit court of appeals and 2 district judges. There are enough of those cases to require that one man, just to keep going around and sitting with the other judges on the bench. In the West when we have work to do we work 25 hours a day—12 hours during the day, 12 hours at night, and during the noon hour. We do not do the way they do down in Texas.

Mr. TARVER. Will the gentleman yield further?

Mr. LEWIS of Colorado. I yield.

Mr. TARVER. How long since this judge died?

Mr. LEWIS of Colorado. I do not recall at this moment.

Mr. TARVER. The gentleman is wanting to create a new judgeship in place of the judgeship which became vacant through the death of the incumbent?

Mr. LEWIS of Colorado. Yes.

Mr. TARVER. When did he die?

Mr. LEWIS of Colorado. I have forgotten the date.

Mr. ZIONCHECK. Judge Rudkin died about 2½ years ago.

Mr. LEWIS of Colorado. Mr. Speaker, I yield the balance of my time to the lady from California [Mrs. KAHN]. [Applause.]

Mrs. KAHN. Mr. Speaker, I certainly appreciate the applause, but I hope you will "say it with votes." [Applause.]

In the ninth circuit district there are included the States of Arizona, California, Idaho, Montana, Nevada, Oregon, and Washington, the Territories of Hawaii and Alaska, and occasionally the court hears appeals from the United States Court for China.

Most of the Members of this House are lawyers and can well appreciate the number of cases that must come from all those States into the court.

As I said before, the population has increased from 3,000,000 to 10,000,000 since this judge was appointed. We have the approval of the Committee on the Judiciary of the House. This bill passed without opposition in the Senate. It has the endorsement of the bar associations of every single one of those States, and it has the unanimous endorsement of every Member of the House from those States. It seems to me under those circumstances, with the enormous rush of business which the ninth circuit district has, we are entitled to the extra judge.

This circuit between 1900 and 1929 disposed of more cases than any other circuit except the second, where there are now 6 judges, and the eighth, which was recently divided into 2 circuits, the new eighth circuit district with 6 judges, 1 retired, and the tenth, with 4 judges. So it seems to me that with the number of cases coming before the ninth circuit district, we certainly are entitled to this extra judge.

Mr. MILLARD. Mr. Speaker, will the gentlewoman yield?

Mrs. KAHN. I yield.

Mr. MILLARD. Does the distinguished gentlewoman from California know how far the calendar is behind?

Mrs. KAHN. No, I do not; but I do know that with the opening of the next session they will have about 300 cases to hear.

Mr. PIERCE. Mr. Speaker, will the gentlewoman yield?

Mrs. KAHN. I yield.

Mr. PIERCE. I wish to say just a word. I am from Oregon. I know there is great pressure in Oregon for the additional judge.

The statement made by the gentlewoman from California is true. There are now pending in the circuit courts there something like 300 cases. There is a great demand from the bar of Oregon for this additional judge.

Mr. LEWIS of Colorado. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS of Texas. Mr. Speaker, I believe the Members of the House will appreciate my own record with reference to new judgeships. I have opposed the creation of additional Federal judges wherever the work of the Federal court could be carried on with the present personnel.

In this instance a very strong case was made out for the need of this additional judge in the ninth circuit. As has been stated already, they have a great many cases, apparently, out in that country which require 3 judges. I assume they have 2 district judges and 1 judge from the Circuit Court of Appeals. This leaves only 2 judges to sit in the consideration of matters which come before that court. They are something like 100 cases behind now, I believe.

It was our opinion, after having given the matter consideration, that that court is being driven too hard. There is a point beyond which economy is not economy. I think with my friend the gentleman from Texas [Mr. BLANTON] that many of these Federal judges do not work as they ought to work; but the number of opinions being written by the judges in this circuit is greater than should be if the cases are to be well considered. We cannot afford to have these judges, who have the last word to say in most matters, without sufficient time properly to prepare their decisions.

Just one further statement. I wish to direct the attention of the gentleman from Texas [Mr. BLANTON] to the fact that before the passage of the act of 1925 when the obligatory jurisdiction of the Supreme Court was much greater than it is now, there was not the same urgent necessity that now obtains with reference to the Circuit Courts of Appeals. They now in this country are very largely the courts of last resort. I believe if the gentleman from Texas had opportunity to consider the situation in this circuit, he would not have interposed his objection. He does a great deal of good service in this House.

I hope the House will pass this bill.

Mr. BLANTON. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this is no proper atmosphere in which to pass sane legislation. We are in the closing hours of Congress. We have matters up here of extreme importance. Our friend from Texas as Chairman of the great Judiciary Committee of this House has unusual powers. He comes in here on the floor from time to time and we grant him unanimous consent to do this and unanimous consent to do that.

We have been in session continuously since March 9 in the President's special session, which is now practically 4 months in length. If this bill were such an urgent matter, of such great public necessity, why has not my friend come in here during the past 3 months with this measure when we were not in such a turmoil, when we could think normally? And the fact that he has not done this, because he is an energetic man and a man of splendid attainments and good judgment and has the interests of the country at heart, especially the judiciary, because he is the Chairman of the Judiciary Committee, to my mind is the best argument against the urgent necessity of this bill.

I want to call your attention to something that ought to appeal to all of you. The President down here in the White House is sweating blood trying to get this country back to normalcy, so far as finances are concerned. He has been

trying to save the Government from bankruptcy. He has even been cutting the compensation of soldiers to do it.

In just a few days the Supreme Court is going to adjourn for 3 months; in just a few days every Federal circuit court in the United States is going to adjourn for 3 months; in a few days this particular circuit court out on the west coast is going to adjourn for 3 months. If you pass this bill, just as soon as this judge is confirmed by the Senate, the first thing he will do will be to hold up his hand and take the oath of office which puts him on the pay roll of the Government, drawing the salary of a Federal circuit judge, and for 3 months he will not do a lick of work.

Mr. TARVER. Will the gentleman yield?

Mr. BLANTON. Certainly, to the distinguished gentleman from Georgia.

Mr. TARVER. The statement was made a while ago by one of the speakers that the Judiciary Committee was unanimous in reporting this bill.

Mr. LEWIS of Colorado. No; I did not say unanimous.

Mr. TARVER. No; not the gentleman, but I said one of the speakers. Being a member of the Judiciary Committee I wish to correct that statement.

Mr. BLANTON. And the gentleman from Georgia is an excellent and able and efficient member of the committee.

Mr. TARVER. And I may say in regard to this bill that I did not vote in favor of a favorable report on it, and I may say to the gentleman there are efforts being made in various sections of the United States to create additional judgeships. The gentleman knows that lawyers are always in favor of creating additional judgeships.

Mr. BLANTON. There are always applicants for such positions even in Congress.

Mr. TARVER. One is being sought in my State and in my district in Georgia at this time, and has been for some years.

Mr. BLANTON. I know numerous lawyers right here on the floor now who would like to exchange their present position for a Federal judgeship.

Mr. TARVER. And if this bill is passed it will be the first of a regular barrage of bills to create Federal judgeships throughout the United States where they are now desired and where the Department of Justice has recommended they be established.

Mr. BLANTON. Why, certainly.

Our good colleague, with whom I have served here so long and whom I love dearly, the gentlewoman from California, mentioned the Federal judge down in my district. I want her to know that we have the best Federal judge in the United States in my district.

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I yield myself 5 additional minutes.

The gentlewoman from California talked about the necessity for them to try 100 cases. The Federal judge of my district tries several hundred cases a year.

I want to ask the sane legislators here who believe in sane, orderly government, whether we ought to pass such a bill as this in the closing hours of Congress?

Mr. GILCHRIST. Will the gentleman yield?

Mr. BLANTON. In just a moment, if I have time.

I want to put this proposition up to the majority leader and the minority leader whether they think it is right and proper to burden the taxpayers at this particular time with an extra judge, who for 3 months will not do a bit of work, whose court for 3 months will not be in session, and I want them to remember that these Federal judges are the particular class of officials in the United States who do not subject themselves to the law that requires all the rest of us to pay income taxes to the Government. This judge will be one of the few in the United States who is immune from paying income taxes. He will draw all his salary and keep it all. Oh, it is all right for us to give up part of our salary for income taxes, it is all right for the soldiers to give up part of their compensation to help run the Government, but this will be one judge, one superman, who will not have to give up a cent to help carry on the expense of this Govern-

ment, and for the next 3 months will draw a large salary and not do any work whatever, because it will be summer-vacation time for judges.

Mr. SISSON. Is it the position of the gentleman that since the repeal of the noble experiment is to be written into the statute books, there will be fewer cases in the Federal courts, both in Texas and in California?

Mr. BLANTON. I want you to get some speeches that were made by my distinguished colleague from Texas [Mr. SUMNERS], the Chairman of this great Judiciary Committee, which are in the RECORD, where he said it was almost a scandal when Congress created new judges who did not spend enough time on their benches and did not try enough cases.

He expressed the opinion, which made an impression on my mind, that the judges ought to do more work, and that we ought not to create new ones. If they did more work we would not have so much use for new judges.

Now, I want to put it up to you as a sane business proposition. Do you not think we can wait until we come back here in the regular session? Do you not think that is the proper thing to do?

Mr. TRAEGER. Is the gentleman asking me? If he is, I will answer the question.

Mr. BLANTON. Is the gentleman a lawyer?

Mr. TRAEGER. I am.

Mr. BLANTON. If he is—

Mr. TRAEGER. Will the gentleman yield?

Mr. BLANTON. For a brief question only.

Mr. TRAEGER. Did the gentleman hear the story that was told in the Senate yesterday, where the Negro wanted a part of everything or all of nothing?

Mr. BLANTON. I heard it here today, but I cannot yield for stories. I did not yield for that.

Mr. TRAEGER. I have spent more time in court than the gentleman has.

Mr. BLANTON. When the gentleman gets leave to ask a question and asks a civil question others will yield to him; but when he takes advantage of someone on the floor and asks him to yield and then asks an uncivil question, he will never get others to yield to him again. I want to suggest to him that it pays to be civil.

Mr. KENNEY. Will the gentleman yield for a civil question?

Mr. BLANTON. I will yield gladly to a civil gentleman.

Mr. KENNEY. If the Republican lady wants the appointment of a good Democratic judge, does not the gentleman think that we ought to give it to her?

Mr. BLANTON. I will answer my friend by telling him what the present Chairman of the Committee on the Judiciary said about political appointments for Federal judges when the Republicans were creating 24 new Federal judges just following the Wilson administration. He said in 1922:

We must not be Democrats and Republicans when we face a question of this sort.

I tell you that in a time like this, when there are grave questionings in the hearts of many of the people of this country with regard to the integrity of their officials, the honesty of governmental administration generally, we cannot afford to have the suspicion rest against the judge or against the position which he holds that his job was created for the sake of politics; because, gentlemen, if the facts justify the suspicion that the job has been created for political considerations, you cannot make the people believe that political consideration stopped short of filling the position. That is why you create the position—to put the man in it. When you go before the tax-burdened people this fall with these unnecessary judgeships, you may be able to help some individual Members of Congress who have gotten these judgeships for their respective districts and for their States, but you must face the people of the country as a whole, who are required to pay the taxes for their maintenance, and you must face the people of the country as a whole, who, I believe, do not favor and have virtue enough to resent "playing politics" with Federal judgeships.

Let me say to the gentleman that I was in the House at one session of Congress when there were 24 new Federal judges created by the Republicans soon after they came into power following the Wilson administration. That is too many new judges. It is easy to get a bill passed for a new judge. It is always easy to get a bill passed for

any new position, because there is always somebody seeking and ready to fill it. We ought to stop this spending of public money. We ought to take a sane view of this matter, and I think we ought to kill this bill.

Mr. Speaker, I reserve the balance of my time. I will yield 5 minutes to my colleague the gentleman from Texas [Mr. McFARLANE], who is always ready to speak against bad bills. [Laughter.]

Mr. McFARLANE. Mr. Speaker, I have listened as earnestly as I could, and I have not heard yet any substantial explanation given why we should create this new position. In line with the general economy program of the administration it seems to me that we ought not to do this unless clear and convincing proof has been shown that there is a real necessity for this additional expense.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. McFARLANE. Yes.

Mr. MOTT. Did the gentleman hear the lady from California state that since the last judge of that district was appointed the population of the district has increased from 3,000,000 to 10,000,000?

Mr. McFARLANE. I heard a statement to that effect.

Mr. MOTT. Does not the gentleman think that that is one good reason for the appointment of an additional judge?

Mr. McFARLANE. The things that I should like to know, and if the lady can give us that information, I think it would be illuminating, is how long these judges in that circuit actually serve on the bench and how many cases they dispose of; in other words, the condition of the docket, how much work has been turned out by them. I should like to have those statistics.

Mr. MOTT. It is my recollection that the gentlewoman from California gave that.

Mrs. KAHN. I have a telegram here which I just received from Judge Sawtelle, one of the judges of the district, that reads as follows:

SAN FRANCISCO, CALIF., June 15, 1933.

HON. LAWRENCE LEWIS,

House of Representatives Office Building,

Washington, D.C.:

Re necessity fourth judge of Circuit Court of Appeals, Ninth Circuit. Number of cases submitted in 1933 to date, 150; number on Seattle and Portland calendars to be submitted in September, 30; number to be submitted in October at San Francisco, 125; number of 3-judge cases in 1933 to date, 6; number of petitions for appeal in bankruptcy matters, approximately 25. Twenty-two cases submitted last October, 23 submitted in February, and 45 submitted at the May term undecided. Opinion in these 90 cases should be prepared between this date and September. A number of them present very difficult problems. Last year we had two involved cases, each of which required 1 month of careful study. Absolutely necessary that we have four judges if work of the court is to be properly considered and disposed of. We had four judges for many years, when the work was only 50 percent of what it is now. When one of the judges is absent on 3-judge cases which involve constitutional questions and rates of public utilities, the work of the court is terribly handicapped.

WILLIAM H. SAWTELLE,
United States Circuit Judge.

That is signed by Judge Sawtelle of the circuit court. I have also a telegram from the three judges—Judge Sawtelle, Judge Wilbur, and Judge Gerracht—and a telegram from the State Bar Association of California.

Mr. McFARLANE. The gentlewoman has stated about the condition of the docket. Does she have any information there showing how many cases the judges have disposed of in this circuit, and how many cases were on the docket 2 years ago and a year ago, and how much work they have actually accomplished in the last year?

Mrs. KAHN. I have not the exact number of cases. I have here a tabulation of the cases disposed of in the ninth district. In 1932 there were 378 docketed and 322 disposed of by the court. In the 10 years ending 1928, 2,512 cases were docketed and 2,474 cases disposed of.

Mr. WEIDEMAN. Will the gentleman yield?

Mr. McFARLANE. Yes.

Mr. WEIDEMAN. Does the lady suppose if she gets this new judgeship that the other three will donate the 15-percent cut in salary back to the Treasury?

Mrs. KAHN. The new Federal judge has to donate it, because he will be appointed after the law is passed.

Mr. WEIDEMAN. How about the old ones?

Mrs. KAHN. I do not control their pocketbooks.

Mr. BLANTON. Mr. Speaker, the lady from California probably does not know that if these judges get shorthanded they can have other judges from other districts where the business is not congested transferred there to help them.

I want to make a suggestion to my friend from Colorado [Mr. LEWIS]. It is admitted here that this court will not meet until September.

Mrs. KAHN. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Certainly; in a moment. It is admitted that the court will not meet until September. If the gentleman from Colorado who made this motion will ask to amend the motion to suspend the rules and provide that the position be not filled until September 1, he would save the salary of this judge for that time, while he is doing no work.

Mrs. KAHN. Then it must go back to the Senate.

Mr. BLANTON. Will the gentleman do that?

Mr. LEWIS of Colorado. The gentleman well knows the bill has already passed the Senate.

Mr. BLANTON. Oh, that does not make any difference. They do not hesitate to hold up our bills over there. They do not hesitate to put amendments on our bills, some amendments 15 or 20 pages long, in the dying hours of Congress. They do with our bills just as they please over there. Why not amend it, when by doing so we will save money?

Mr. ZIONCHECK. Will the gentleman yield for a question?

Mr. BLANTON. Certainly.

Mr. ZIONCHECK. I know as a matter of personal information that Judge Sawtelle and Judge Wilbur worked during the whole summer on cases when they did not sit.

Mr. BLANTON. Could they do that during playtime out there in that fine west-coast climate?

Mr. ZIONCHECK. With refreshing grace.

Mr. BLANTON. I am one who cannot support the bill. I have registered my protest against the bill and I have done my duty. In this atmosphere during the closing hours of Congress you will likely pass this bill, but it should not pass.

Mr. DE PRIEST. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. DE PRIEST. Not being a lawyer, I should like to ask is it customary for judges during vacation time to read up briefs and become acquainted with the cases?

Mr. BLANTON. No. They are taking vacations.

On December 9, 1921, there was a blanket bill before this House to appoint 22 additional Federal judges. At that time their salary was only \$7,500. Later their salary was raised to \$10,000. The expense of that bill at that time was 22 judges at \$7,500 each, aggregating \$165,000. Then there were 22 secretaries and stenographers for these judges at \$1,500 each, which made the further sum of \$33,000. Then there were 22 court criers costing \$13,200, making a total cost of \$211,200 per annum for that bill.

I remember distinctly that our present Chairman of the Committee on the Judiciary [Mr. SUMNERS] took the floor against that bill. He stated that Chief Justice Taft had been before the committee and testified that "in some places there would be a judge who had but half of his time occupied." And he said that Chief Justice Taft made the further significant statement that "dockets are quite misleading in the number of cases they seem to show, as there was a lot of stuffing in the dockets, because many cases should be dismissed."

That bill was amended by the committee, so that it carried 24 new Federal judges, as follows:

The Clerk read as follows:

"For the district of Massachusetts, 2; for the eastern district of New York, 1; for the southern district of New York, 2; for the eastern district of Pennsylvania, 1; for the western district of Pennsylvania, 1; for the eastern district of Virginia, 1; for the northern district of Texas, 1; for the southern district of Florida, 1; for the eastern district of Michigan, 1; for the northern district of Ohio, 1; for the middle district of Tennessee, 1; for the northern district of Illinois, 1; for the eastern district

of Illinois, 1; for the district of Minnesota, 1; for the eastern district of Missouri, 1; for the western district of Missouri, 1; for the eastern district of Oklahoma, 1; for the district of Montana, 1; for the northern district of California, 1; for the southern district of California, 1; and for the district of Arizona, 1. Said judges shall be residents of the districts for which appointed and shall receive the same salary and allowances and shall possess, exercise, and perform the same jurisdiction, powers, and duties as is now provided by law."

Also the following committee amendment was read:
"Page 2, line 4, after the semicolon, strike out the words 'For the eastern district of Virginia, 1.'"

That was in December 1921, just after the Republicans had come back into power, and they were hungry for political appointments.

Again, on May 5, 1922, I heard my colleague from Texas [Mr. SUMNERS] take this floor and explain just how he and the committee were convinced that new Federal judges should be appointed, and I quote his exact language, for this is what he then said:

The Attorney General told us that we needed them. I am afraid we were just a bit flabbergasted, so we accepted; at least we were much persuaded by his judgment and a very promiscuous and imposing array of figures furnished.

And so today we are furnished with an array of figures. And we are told by various officials that this judge is needed.

And, Mr. Speaker, I remember distinctly the speech of my colleague from Texas [Mr. SUMNERS], now Chairman of the Judiciary Committee, when in this House on September 11, 1922, among other things he said:

I am referring now to the new judge for the State of New Mexico. The record shows that the judge now provided for the State of New Mexico—the judge already there during the fiscal year covered by the last report of the Attorney General—tried only 44 cases, criminal and civil together—44 cases only—and yet this administration is putting in a new judge there. Why? Politics! The rankest sort of politics. I hate to say that, but it is a palpable fact. Forty-four cases tried in one year, and we create a new judge for the district. Think of it, gentlemen. We had already added a new judge to each of the districts of California, a new judge to Arizona, 1 for the eastern district of Oklahoma, 1 for the northern district of Texas, and 1 for the district of Montana, absolutely surrounding the district of New Mexico with new judges and most considerably oversupplying that western territory. And now you are sending an additional judge to New Mexico. What for? Let us be honest about it. Is he needed in that district? No. Nobody can seriously contend that. I assume nobody here will contend that he is needed there. Is he needed in any of the territory from the Pacific Ocean straight through to the Atlantic, in any of the Western or Southern States? Nobody can contend that he will be needed there. He cannot be used anywhere without transporting him across the continent at Federal expense for transportation and \$10 per day additional for each day that he is out of his district. Then why is this new judge provided for New Mexico, for a district where he is not needed and in a territory where he cannot be used? Simply, gentlemen, to help out the New Mexico delegation in Congress, or some member of that delegation, you are asked to contribute as a matter of politics this Federal judgeship with its added burden upon a tax-burdened people. I say with all respect, gentlemen, it is a disgrace to the American Congress. You cannot defend it, and you cannot afford to do it.

Thus spake our present distinguished Chairman of the Judiciary Committee in this House on September 11, 1922. But when the matter came to a vote I demanded the yeas and nays, and the bill was passed with 139 yeas and 78 nays.

I realize full well that it is impossible to stop this bill today. In this atmosphere sane legislation is impossible. Our minds are somewhere else. We are thinking of adjourning and going home. But I have done my duty in raising my protest against the passage of this bill. I cannot do more. I would stop this bill, if I had the power. It ought to be stopped. We do not need any more Federal judges. We have enough now. Let the ones we have do the work.

The SPEAKER. The time of the gentleman from Texas [Mr. BLANTON] has expired.

The question is on the motion to suspend the rules and pass the bill.

The question was taken; and on a division (demanded by Mr. BLANTON) there were ayes 113 and noes 8.

So (two thirds having voted in favor thereof) the rules were suspended and the bill was passed.

TRANSPORTATION OF AGRICULTURAL PRODUCTS IN AMERICAN SHIPS

Mr. BLAND. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution (H.J.Res. 207) requiring agricultural products to be shipped in vessels of the United States where the Reconstruction Finance Corporation finances the exporting of such products.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the House joint resolution, as follows:

Resolved, etc., That it is the sense of Congress that in any loans made by the Reconstruction Finance Corporation to foster the exporting of agricultural products, provision shall be made that such products shall be carried exclusively in vessels of the United States, unless, as to any or all of such products, the United States Shipping Board, after investigation, shall certify to the Reconstruction Finance Corporation that vessels of the United States are not available in sufficient numbers, or in sufficient tonnage capacity, or on necessary sailing schedule, or at reasonable rates.

Mr. McFADDEN. Mr. Speaker, I should like to ask the gentleman a question in regard to this bill.

This bill provides for the financing of the shipment of agricultural products in boats under American control. I should like to ask the gentleman, inasmuch as the Reconstruction Finance Corporation has just made a loan of \$50,000,000 to ship agricultural products to China, whether or not they are also going to make a loan to Russia, to ship agricultural products in American ships to Russia. Can the gentleman tell me that?

Mr. BLAND. I cannot.

Mr. McFADDEN. Can the gentleman also tell me whether these shipments of cotton and wheat to China are going to be made in American boats?

Mr. BLAND. My understanding of the contract is that it specifically requires that at least 50 percent of the products be shipped in American-flag ships. As to the rest, there is a provision which allows the shipments to be made in vessels of other countries.

That question came before the Committee on Merchant Marine, Radio, and Fisheries, on a resolution introduced by the gentleman from California [Mr. DOCKWEILER]. We gave it consideration, but as the contract was a concluded contract, we felt it was wise not to interfere further than to adopt a committee resolution which we sent to the Reconstruction Finance Corporation expressing the wish of the committee that the Reconstruction Finance Corporation should use its agencies and powers to secure shipment in American bottoms.

Mr. McFADDEN. I am prompted to ask that because of the fact that the press for the last few days has been indicating that we are going to make large loans to Russia through the Reconstruction Finance Corporation. That is important for us to know about, because I am satisfied in my own mind that there is a movement on abroad to involve the United States with Russia and China against Japan. I am interested also for this further reason that at the economic conference in London there is a discussion going on in regard to making further loans to finance European countries.

I am wondering whether, inasmuch as the other evening we took off the limitation on which the Reconstruction Finance Corporation makes these loans, there is in the offing a plan to finance further shipments of goods abroad through loans from the Reconstruction Finance Corporation. That is particularly pertinent because of the fact that the foreigners cannot now pay what they owe us for what they have already purchased, and they are only paying us 10 cents on the dollar, and that in silver, upon which they make 20 or 30 cents per ounce.

Mr. BLAND. This bill does not undertake to finance shipments. All it requires is that if loans are made, the products purchased shall go in American ships.

Mr. McFADDEN. I should like to find out from someone who should know about it whether there is a program on to grant more loans through the Reconstruction Finance Corporation or through the Federal Reserve or some other institution to finance the foreigner, on the theory that it

is going to help the agricultural situation here. I want to know if we are going to use the Reconstruction Finance Corporation to make loans to cover sale and shipment of American goods abroad.

Mr. BLAND. I cannot give the gentleman that information.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. SNELL. By what authority do we make loans to any foreign government?

Mr. BLAND. I am not talking about foreign governments. This is not for the purpose of financing shipments.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. CONNERY. I am very much in favor of the bill. I wish the gentleman from Virginia would explain his own experience in reference to this matter, because I had many protests in Boston in reference to the plan when they were exchanging the wheat and cotton with Brazil for coffee. The Brazilians used Brazilian ships to bring the coffee up to this country and then the Brazilian ships carries the wheat and cotton back to Brazil. The American shippers protested. I hope the gentleman will give us the benefit of his reasons why this should be put into effect.

Mr. BLAND. The reason I think it should be put into effect is that in the contract with China we provided that only 50 percent should be carried in American bottoms. China has no merchant marine. I thought it would be a good time to have such a resolution passed. The resolution was introduced by Mr. MONTET, of Louisiana, and the members of the committee thought it would be an opportune time to express the sense of Congress that these shipments should go in American vessels.

Mr. CONNERY. Mr. Speaker, will the gentleman yield further?

Mr. BLAND. I yield.

Mr. CONNERY. Does the gentleman know of any other instances such as I have cited where foreign ships have carried American produce?

Mr. BLAND. None have come to my mind at the present time.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. BLAND, a motion to reconsider the vote by which the bill was passed was laid on the table.

SURVIVAL OF CERTAIN ACTIONS IN FAVOR OF THE UNITED STATES

Mr. SUMNERS of Texas. Mr. Speaker, I call up the bill (S. 815) to provide for the survival of certain actions in favor of the United States, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. BLANTON. Mr. Speaker, let us have the bill reported first.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That no civil action to recover damages, brought by the United States or in its behalf, or in which the United States shall be directly or indirectly interested, and pending against any defendant prior to the time of his death, in any court of the United States, shall abate by reason of the death of any such defendant; but any such action shall survive and be enforceable against the estate of any such deceased defendant. This act shall not be construed to deprive the plaintiff in any such action of any remedy which he may have against a surviving defendant.

Mr. BLANTON. Mr. Speaker, reserving the right to object, to ask my colleague a question, how many such cases are there within the purview of the gentleman?

Mr. SUMNERS of Texas. Mr. Speaker, in reply to my colleague from Texas, and I think it is due the House, I shall make a very brief statement in reference to this bill.

This bill is intended merely to preserve the right of the United States to pursue under its judgment the estate of the person against whom the judgment is rendered and who since such rendition has died.

I may say to my colleague from Texas I must confess myself subject to criticism with reference to some of these items of legislation that are coming from the Committee on the Judiciary, but this particular matter reached the attention of the Committee on the 9th of this month. It was called to our attention by the Attorney General, and it has also been called to our attention by our representative who has been prosecuting a suit against Doheny.

Mr. BLANTON. Mr. Speaker, I withdraw my objection. If it will help the Government to prosecute Doheny that is a good and sufficient reason for passing the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. SUMNERS of Texas, a motion to reconsider the vote by which the bill was passed was laid on the table.

SENATE JOINT RESOLUTION REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows: S.J.Res. 63. Joint resolution temporarily suspending section 18 and portions of section 2 of the executive order of June 10, 1933, relating to the organization of executive agencies; to the Committee on Expenditures in the Executive Departments.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3344. An act to amend section 14, subdivision 3, of the Federal Farm Loan Act;

H.R. 5909. An act to transfer Bedford County from the Nashville division to the Winchester division of the Middle Tennessee Judicial District; and

H.R. 6034. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 5091. An act to amend section 289 of the Criminal Code; and

H.R. 5661. An act to provide for the safer and more effective use of the assets of banks, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 7, 10, 16, 30, 44, 45, and 46 to the bill (H.R. 5389) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes, that the Senate insists upon its amendments numbered 11, 13, 14, 15, 17, 18, and 21 to the said bill; insists upon its amendment to the amendment of the House to the amendment of the Senate numbered 47 to the said bill, and agrees to the conference asked by the House; and appoints Mr. GLASS, Mr. BYRNES, Mr. RUSSELL, Mr. HALE, and Mr. STEIWER to be the conferees on the part of the Senate.

RECESS

Mr. BYRNES. Mr. Speaker, I move that the House stand in recess subject to the call of the Chair.

The SPEAKER. Thirty minutes' notice will be given by ringing the bells, and the House will not convene before 7 o'clock.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p.m.) the House stood in recess at the call of the Speaker.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12.36 a.m.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Crockett, its Chief Clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5389) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes.

CONFERENCE REPORT ON INDEPENDENT OFFICES APPROPRIATION BILL, 1934

Mr. WOODRUM presented the following conference report on the bill (H.R. 5389) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H.R. 5389) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 14 and 15.

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "\$319,230,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum inserted by such amendment insert "\$581,988,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum inserted by such amendment insert "\$602,838,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum inserted by such amendment insert "\$631,802,546"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate to the amendment of the House to Senate amendment numbered 47, and agree to the same with an amendment as follows: In lieu of the matter inserted by the Senate amendment to the amendment of the House to Senate amendment numbered 47, insert the following:

"Sec. 20. The President is hereby authorized under the provisions of Public Law No. 2, Seventy-third Congress, to establish such number of special boards (the majority of the members of which were not in the employ of the Veterans' Administration at the date of enactment of this act), as he may deem necessary to review all claims (where the veteran entered service prior to November 11, 1918, and whose disability is not the result of his own misconduct), in which presumptive service connection has heretofore been granted under the World War Veterans' Act, 1924, as amended, wherein payments were being made on March 20, 1933, and which are held not service-connected under the regulations issued pursuant to Public Law No. 2, Seventy-third Congress. Members of such boards may be appointed without regard to the Civil Service laws and

regulations, and their compensation fixed without regard to the Classification Act of 1923, as amended. Such special boards shall determine, on all available evidence, the question whether service-connection shall be granted under the provisions of the regulations issued pursuant to Public Law No. 2, Seventy-third Congress (notwithstanding the evidence may not clearly demonstrate the existence of the disease or any specific clinical findings within the terms of or period prescribed by regulation 1, part 1, subparagraph (c) or instruction numbered 2, regulation numbered 1, issued under Public Law No. 2, Seventy-third Congress), and shall in their decisions resolve all reasonable doubts in favor of the veteran, the burden of proof in such cases being on the Government.

"Notwithstanding the provisions of section 17, title I, Public Law No. 2, Seventy-third Congress, any claim for yearly renewable term insurance on which premiums were paid to the date of death of the insured and any claim for pension, compensation allowance, or emergency officers' retirement pay under the provisions of laws repealed by said section 17 wherein claim was duly filed prior to March 20, 1933, may be adjudicated by the Veterans' Administration on the proofs and evidence received by the Veterans' Administration prior to March 20, 1933, and any person found entitled to the benefits claimed shall be paid such benefits in accordance with and in the amounts provided by such prior laws, provided that the payments hereby authorized to be made shall continue only to include June 30, 1933, and only one original adjudicatory action and one appeal may be had in such cases. Where a veteran died prior to March 20, 1933, under conditions which warrant the payment of, or reimbursement for, burial expenses, such payment or reimbursement may be made in accordance with the laws in effect prior to March 20, 1933, provided that claim for such payment or reimbursement must be filed within 3 months from the date of passage of this act.

"Notwithstanding the provisions of Public Law No. 2, Seventy-third Congress, the decisions of such special boards shall be final in such cases, subject to such appellate procedure as the President may prescribe, and, except for fraud, mistake, or misrepresentation, 75 percent of the payments being made on March 20, 1933, therein shall continue to October 31, 1933, or the date of special board decision, whichever is the earlier date: *Provided*, That where any case is pending before any one of the special boards on October 31, 1933, the President may provide for extending the time of payment until decision can be rendered. The President shall prescribe such rules governing reviews and hearings as may be deemed advisable. Payment of salaries and expenses of such boards and personnel assigned thereto shall be paid out of and in accordance with appropriations for the Veterans' Administration.

"Notwithstanding any of the provisions of Public Law No. 2, Seventy-third Congress, in no event shall the rates of compensation payable for directly service-connected disabilities to those veterans who entered the active military or naval service prior to November 11, 1918, and whose disabilities are not the result of their own misconduct, where they were except by fraud, mistake, or misrepresentation, in receipt of compensation on March 20, 1933, be reduced more than 25 percent, except in accordance with the regulations issued under Public Law No. 2, Seventy-third Congress, pertaining to Federal employees, hospitalized cases, and cases of beneficiaries residing outside of the continental limits of the United States; and in no event shall death compensation, except by fraud, mistake, or misrepresentation, being paid to widows, children, and dependent parents of deceased World War veterans under the World War Veterans' Act of 1924, as amended, on March 20, 1933, be reduced or discontinued, whether the death of the veteran on whose account compensation is being paid was directly or presumptively connected with service.

"Notwithstanding any of the provisions of Public Law No. 2, Seventy-third Congress, any veteran of the Spanish-American War, including the Boxer rebellion and the Philippine insurrection, who served 90 days or more, was honor-

ably discharged from the service, is 55 years of age or over, is 50 percent disabled, and in need as defined by the President, shall be paid a pension of not less than \$15 per month."

And the Senate agree to the same.

C. A. WOODRUM,
JOHN J. BOYLAN,
W. W. HASTINGS,
J. P. BUCHANAN,

Managers on the part of the House.

CARTER GLASS,
JAMES F. BYRNES,
RICHARD B. RUSSELL,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H.R. 5389) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1934, and for other purposes, submit the following statement of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

The following amendments are in adjustment of totals: Nos. 17, 18, and 21.

On no. 11: Appropriates \$319,230,000, instead of \$231,730,000 as proposed by the House, and instead of \$401,730,000 as proposed by the Senate, for pensions, gratuities, and allowances.

On no. 13: Retains the Senate provision authorizing the Attorney General to agree to judgments rendered pursuant to compromise in any suit pending on March 20, 1933, and on the date of the enactment of this act, brought under the provisions of the World War Veterans' Act, 1924, as amended, on a contract of yearly renewable term insurance.

On nos. 14 and 15: Strikes out the appropriation of \$1,000,000 proposed by the Senate for hospital treatment for veterans, irrespective of service connection or ailment.

On no. 47, pertaining to pensions: Eliminates all previous action and inserts a new provision consisting of: First, the original amendment of the House to the amendment of the Senate numbered 47; and, second, a provision that, notwithstanding any of the provisions of Public Law No. 2, Seventy-third Congress, any veteran of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, who served 90 days or more, was honorably discharged from the service, is 55 years of age or over, is 50 percent disabled, and in need as defined by the President, shall be paid a pension of not less than \$15 per month.

C. A. WOODRUM,
JOHN J. BOYLAN,
W. W. HASTINGS,
J. P. BUCHANAN,

Managers on the part of the House.

Mr. WOODRUM. Mr. Speaker, I call up the conference report on the bill H.R. 5389 and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

Mr. WOODRUM. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the conference report.

The conference report was agreed to.

On motion of Mr. WOODRUM, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

THE INDEPENDENT OFFICES APPROPRIATION BILL—EXTENSION OF REMARKS

Mr. CARPENTER of Kansas. Mr. Speaker, H.R. 5389, known as the "Independent offices appropriation bill" contains a number of appropriations, some of which I approve, and some of which I do not approve.

By reason of the economy bill, known as "Public No. 2", the appropriation for the veterans, in my judgment, is not sufficient, but in the final analysis will be the result of a compromise and the best that can be obtained at this time, and that part of the bill together with certain other necessary appropriations to operate and maintain the Government I do approve. However, there are certain other appropriations that are thrown into this bill that I do not approve, and if I had the opportunity to vote "yes" or "no"—that is, for or against them—my vote would be no—against these appropriations. The appropriations I would be opposed to would be the following appropriations: Appropriations to maintain Executive Mansion greenhouses.

The appropriation of \$198,000 for the Arlington Memorial Bridge Commission.

\$120,000 for the Board of Mediation.

\$8,800 for the Commission of Fine Arts.

\$96,650 for the George Rogers Clark Sesquicentennial Commission.

\$10,000 for the Mount Rushmore National Memorial Commission.

\$310,000 to the United States Shipping Board.

\$48,500 to the International Institute of Agriculture at Rome, Italy.

\$13,950 for the enforcement of the Black Bass Law.

There are quite a number of other appropriations provided in this bill, concerning which I am in some doubt, as to whether they are necessary and the reasonableness of the same, some of which are for the continuing of buildings that are already under construction, such as the Supreme Court Building, and other appropriations are for departments, the usefulness of which I am not advised.

It might be well to state, however, that this is the same bill that was passed by the last session of Congress and vetoed by President Hoover; the amount appropriated in that bill other than for veterans has been reduced by approximately 25 percent in this bill.

Mr. PATMAN. Mr. Speaker, under the so-called "Economy Act", or Public, No. 2, and the regulations issued pursuant thereto, the following classes of veterans and their dependents will be entirely eliminated from the pension roll July 1, 1933:

World War presumptive cases, including tuberculosis, mental trouble, cancer, etc.	154,843
Dependents of World War veterans (the veterans dying of presumptive disabilities)	36,325
Spanish-American War veterans (some of these will receive \$6 a month)	105,660
	296,833

HOUSE COMPROMISE PLAN

When the independent offices appropriation bill was before the House of Representatives, last Saturday, June 10, 1933, an amendment was adopted which would continue each of the 154,843 presumptive cases on the pension roll until October 31, 1933, or until a special board has decided that the case is nonservice connected. In order to prevent encouragement for delay of the cases on review, it was decided to discontinue payments on all of them October 31, 1931, with the understanding that all of them not proven to be nonservice connected after that date, when the board has passed on them, will receive retroactive pay to October 31, 1933.

Under this amendment the burden of proof is placed on the Government to show beyond a reasonable doubt that the case is not service connected; otherwise the veteran will continue to draw his compensation. It is not contemplated that the reviewing board will be restricted to the consideration of the evidence that would be required under

Public, No. 2, to service connect a case but will have no restrictions at all; it must find—the Government assuming the burden of proof—beyond a reasonable doubt that the presumptive disability was not incurred in or aggravated by military service. I do not know of stronger language that could be used to protect the presumptive cases.

Under the House compromise plan all the 36,325 widows and orphans of veterans of the World War were restored to the pension roll; they will not receive any reduction at all, but will continue to get what they received under the old law.

Under Public, No. 2, the President is powerless to reinstate the presumptives, veterans and widows, without legislation; Public, No. 2, will cause them to be stricken from the roll July 1, 1933. In order to save them this law must be passed.

The House compromise plan will allow all Spanish-American War veterans who are 55 years of age, substantially disabled and in need, to continue to draw a pension at the minimum rate of \$15 a month.

STEIWER-CUTTING AMENDMENT

This amendment is practically the same as the House compromise plan except it provides that all Spanish-American War veterans and their widows shall remain on the pension roll and receive at least 75 percent of what they were receiving prior to March 20, 1933, the date of the enactment of Public, No. 2.

Summed up, the only material difference and practically the only difference between the House and Senate is on the Spanish-American War veterans and widows.

If the Steiwer-Cutting amendment is adopted, the presumptives, veterans and widows, will not be helped any more than they would be under the House compromise plan. We are told that the boards will not be sympathetic and will strike practically all the presumptive veterans from the roll. If the board is arbitrary and unsympathetic under the House plan, it will be no different under the Steiwer-Cutting plan. If these boards do not pass on these cases in the way Congress intends that they shall be passed on or reviewed, there will be another session of Congress in January, and I predict the injustices will be remedied at that time by Congress.

There is no difference between the two plans in regard to service-connected veterans of the World War or Spanish-American War, or the dependents of either; each plan provides that they shall not have their compensation or pensions reduced more than 25 percent.

The more Congress appropriates for non-service-connected veterans the more likely it is that service-connected cases will be required to take a big reduction. Service-connected cases should not be reduced a penny. I opposed reducing the non-service-connected veterans of either the World War or Spanish-American War more than 25 percent, but my opposition was futile.

NEEDS' CLAUSE

Let us see about the needs' clause that is so bitterly opposed. When the country needs man power to fight its wars it is the duty of every young man to offer his life on the field of battle for the cause of his country. When that young man gets older and needs his country—many people insist that the question of need should come in—it is the duty of the country to come to the aid and rescue of its former defender. I realize it is possibly damaging to the cause of all veterans for a few wealthy veterans to draw pensions from the Government for non-service-connected disabilities.

PURGE PENSION ROLLS

It is in the interest of all veterans that the pension rolls be purged of all unmeritorious and undeserving cases. Such corrections will be beneficial to all veterans in the long run. The Government should not require a pauper's oath, but is it unreasonable to require a veteran during this emergency to show need—that is, annual income under a certain amount—in order to get a pension for a non-service-connected disability? I would not willingly require under any circumstances need to be shown for a service-connected disability. If the Government requires a single veteran to state that his annual income is less than \$1,000, or a mar-

ried veteran to state his annual income is less than \$2,500, or any other reasonable sum, before granting a pension, is not by any stretch of the imagination requiring a pauper's oath.

BETTER TO GET LITTLE OF SOMETHING THAN A LOT OF NOTHING

Although, under the House plan, the Spanish-American War veterans are not taken care of in the way that we would like for them to be taken care of, shall we jeopardize the chances of 154,843 presumptive cases and the 36,325 widows and orphans to get back on the pension roll July 1, 1934, in order to make a determined effort to get the whole loaf? We will have a chance to increase the pensions of the Spanish-American War veterans at the next session of Congress. I will be in favor of the increase. The Spanish-American War veterans that are affected so materially by the House plan are the ones that have disabilities under 100 percent or partial disabilities that were not caused by their military service. They will continue to draw a pension of \$15 a month or more.

The World War veterans who are less than 100 percent disabled will not receive a penny, hereafter, under present laws, for disabilities not caused by their military service. I realize that the question of age should be considered, but a World War veteran that is 99 percent disabled is just as much incapacitated and just as much in need of Government help as the veteran of any other war, regardless of age.

REFERENCE TO INFORMATION

In my speech of June 10, 1933, I fully discussed the different plans pending before Congress; it will be found on pages 5659 to 5663 of the CONGRESSIONAL RECORD.

WHAT IS BEST FOR VETERANS

Considering all circumstances, I believe that the cause of the veterans will be better served and the country helped the most by the adoption of the House compromise plan instead of the Steiwer-Cutting amendment. I make that statement for this reason:

The President has told us that he will veto the bill if it contains the Steiwer-Cutting amendment; we will possibly lose any chance of passing another bill at this session and the presumptive World War veterans and widows will be stricken off July 1 if this bill is not passed before that time. Considering the fact the national industries bill, which is supposed to give millions employment, has just passed, the farmers and home owners are expecting a sigh of relief from home and farm mortgages which are bearing a high rate of interest, the farmers also expecting material assistance from other legislation intended to aid them, which will also help the whole country, all contingent upon the success of the present administration, do you think it is a good time to put the veterans in a position of disrupting the whole recovery program? Do not you think it will be much better to take the substantial assistance for the veterans that we know we can get rather than place the veterans in a position before the country that will possibly set their just cause back at least 10 years?

RECOVERED HALF THE GROUND

The Economy Act deprives the World War and Spanish-American War veterans and their dependents of approximately \$300,000,000 in compensation and pensions. There were other savings on hospitalization, administration, and for other purposes but approximately \$300,000,000 reduction on the classes mentioned. Do you not think \$150,000,000 which we are getting restored is substantial? Do you not think it is a long step back in the direction we were prior to March 20, 1933? We cannot expect to recover all the lost ground in one session of Congress. All legislation is a result of compromise. We must give and take. If each of the 435 Members of the House holds out for what he wants we would never have an agreement. Neither side is thoroughly satisfied with a fair compromise.

I sincerely believe it is in the interest of all veterans and the country that the House compromise plan be accepted.

Mr. TABER. Mr. Speaker, amendment no. 13 in the independent offices appropriation bill provides authority to the

Attorney General to compromise pending suits on war-risk insurance and Government insurance claims. There are at this time pending against the Government 11,837 cases; 1,535 have been disposed of since January 1, in 5 months. Of these, 700 were dismissed; approximately 556 were tried, with verdicts for the Government.

The expense from a salary standpoint of trying these cases was approximately \$271 per case. The cases are very largely brought by lawyers in South Carolina, Tennessee, and mid-western lawyers, each lawyer having on hand a large number of cases. Some of them are handling as high as 1,200 insurance cases. Some of the lawyers have been paid out of this proposition as high as \$59,000, others close to it.

It does not sound reasonable that all these cases would be turned over to these lawyers without solicitation. It does not sound reasonable that this amendment would have been put into the bill at the sole request of the lawyers who are prosecuting the cases without the consultation and advice of the Veterans' Bureau and the Attorney General's Office.

I have been advised by Mr. Roberts, the counsel of the Veterans' Bureau, that the Bureau did not ask for this provision. I have been informed by Attorney General Cummings personally that he did not favor it, did not want it, and felt that the claimants were entitled to the whole amount or nothing and that the Government was satisfactorily cleaning them up; that the Attorney General's Office was accustomed to recommend to the Veterans' Bureau the payment of a claim if the evidence on hand before the trial indicated that the Government was really liable.

Having all this in mind, I can see no good purpose at the instances of the lawyers for the claimants against the Government to change the law. It savors too much of a racket to me. I hope the House will refuse to put in this amendment.

Mr. LUDLOW. Mr. Speaker, I welcome the opportunity to vote for the Steiwer-Cutting amendment because I believe it is a measure of essential justice both to the taxpayers and the veterans of this country.

I have the highest admiration and regard for President Roosevelt, but that does not mean that he does my thinking for me. I do my own thinking. I have been a consistent follower and supporter of the President in most instances and I expect to continue to be, but that is because I believe he is everlastingly right in most instances. I think his general program has been most courageous and admirable and that it will put the country on its feet, but I cannot agree with him in respect to the Steiwer-Cutting amendment.

The Steiwer-Cutting amendment makes effective the President's excellent intentions in regard to pension reforms, as we understood those intentions when we passed the Economy Act, and at the same time it irons out some of the most grievous wrongs inflicted by the regulations that were adopted by subordinate officials for the administration of that act.

No right-thinking person can doubt that abuses have grown up in the pension system that should be eliminated. I am in favor of wiping out those abuses and have so voted consistently. In securing the passage of the Economy Act, which I supported, the President undertook to eliminate those abuses. His attention has been so engrossed in formulating and promoting his program for economic rehabilitation at home and world peace that he necessarily has had to leave the drafting of the pension regulations to trusted advisers. In my opinion, they turned out to be bad advisers.

Senator CLARK, of Missouri, a staunch supporter of the administration and a World War veteran, and son of the late Speaker Champ Clark, well said in his speech on the Steiwer-Cutting amendment yesterday:

Under the powers conferred in the Economy Act, the administrative officials of the Veterans Administration and of the Bureau of the Budget have made regulations which contain instance after instance of what is generally recognized on all sides as constituting most execrable cruelty.

And that is the truth. Execrable cruelty! Should we be "execrably cruel" to men who were maimed and disabled

in fighting the battles of their country? The President is kind and humane and he does not realize the effect of these regulations.

If the President could read the correspondence that comes to my office revealing the injustices inflicted on battle-maimed veterans by those regulations, I think he, too, would support the Steiwer-Cutting amendment. When a veteran's lungs were pierced by machine-gun bullets or his eyes were torn out by shrapnel or the seeds of insanity or tuberculosis were planted in his system as the result of war, he became at that very moment a ward of this Nation, and any capitalist, any holder of property, who is not willing to share his last dollar with that unfortunate ought to be ashamed of himself. That constructive work could well be done in the direction of revising the pension rolls every honest person will admit. The rolls should be purged of those whose claims have no merit. But those who went through the hell of war and in that conflict received injuries that have permanently maimed and disabled them and have wrecked their whole lives should be treated with kind consideration.

The Steiwer-Cutting amendment is a fair, honest settlement of the pension problem—fair to the taxpayers because it results in enormous savings to the Federal Treasury and fair to the veterans because it protects them from the grave injustices of the economy regulations. I am equally concerned that justice shall be done to the American taxpayer and the American soldier, and I am convinced that this measure is just to both. The Steiwer-Cutting amendment is not a raid on the Treasury. It is just the opposite. According to estimates the Economy Act with the Steiwer-Cutting amendment will save the taxpayers of the United States the enormous sum of \$312,000,000 a year by reducing the Nation's pension bill to that extent. Surely no one can call that a Treasury raid.

It adds only \$30,000,000 a year to the expenditures carried by the compromise that was approved by the President and adopted by the House recently. We are spending 110 times that amount on a vast public-works program, 33 times that amount in a Muscle Shoals-Tennessee "paradise" development, and goodness knows how many times that amount in a reforestation experiment. My own thought is that we could well afford to divert some of the reforestation funds to do justice to needy disabled veterans who received their disabilities fighting for their country.

Mr. Speaker, I have been both shocked and amazed by the number and extent of the injustices against combat-disabled war veterans that have been inflicted under the regulations adopted for the enforcement of the Economy Act.

No one who would consult the files of my office and read the great volume of mail that comes to me from disabled veterans could reach any other conclusion than that the Economy Act regulations reek with injustices.

Soldiers maimed in battle, pitiful wrecks of humanity, unable because of injuries received in war to earn any kind of living, find themselves cut off with a mere pittance.

"On July 1", says one, "I will go to a soldiers' home and my wife will go to the poorhouse."

I have faith in President Roosevelt and believe he wants to be fair and humane, but whoever wrote those regulations for him is entitled to a medal for heartlessness.

This is not a wild statement based on the mere assertions of disabled veterans who consider themselves aggrieved. In instance after instance my secretary and I have checked the assertions in the letters against the records of the War Department and the Veterans' Administration and against the files in our office, and we find that the charges of injustice are shockingly true.

Therefore I am going to do what I believe to be the just and right thing to do. I am going to give my vote and my efforts toward wiping out the wrongs that have been imposed on sick and disabled service-connected veterans.

A NEW ECONOMY PROGRAM

The cry has been raised that this would cause an increase of taxes. It would not raise taxes one cent. I have a new economy program under which disabled veterans would re-

ceive just and humane treatment and at the same time debt and taxes would be enormously reduced. My plan would be:

First. Repeal the law to establish a "paradise" in Tennessee, known as the "Muscle Shoals bill."

Second. Withdraw the bill which proposes to spend \$3,300,000,000 on public works and which places upon the taxpayers an annual carrying charge of \$220,000,000, or \$50,000,000 more per annum than is necessary to give the service-connected soldiers their dues.

These two bills can wait. In my judgment, regardless of any reference to justice for the soldiers, these two bills should never become effective on economic grounds. In my judgment, they are economically unsound and will only make matters worse by involving the country in a welter of debt beyond the imagination of man.

When the Muscle Shoals bill was before the House, it was stated—and no one challenged the statement—that it would cost the taxpayers \$1,000,000,000. The public-works bill carries an appropriation of \$3,300,000,000. By repealing the Muscle Shoals law, which has not yet gone into effect, and by withdrawing the public works bill, which has passed the House, but is still before the Senate, we can save the taxpayers of this Nation a debt of \$4,300,000,000, an annual carrying charge of about \$300,000,000, compared with which the relatively small sum per annum required to do justice to the defenders of the Union who suffer from disabilities due to war service pales into utter insignificance.

As the first step in this program, which I believe to be right and just and in the interest of economy, I introduced a bill to repeal the Muscle Shoals Tennessee Development Act. Before we go into an enterprise that seems like an Elysian dream let us keep our feet on the ground and let us see that justice is done to the soldiers who are suffering incurable injuries received on the battle fronts.

We can and should effect great economies in the administration of veterans' relief, but in all conscience we should do this without taking it out of the backs of the combat-disabled soldiers.

BEYOND FINITE UNDERSTANDING

If the man who wrote the regulations for the enforcement of the Economy Act had been hostile to the veterans; if he had been moved by a spirit of animosity instead of by the love we ought to bear toward the defenders of our country, their widows, and dependents, we might have expected something like the regulations that have been promulgated, but coming from a source that is supposed to recognize the Nation's debt to the soldiers who freely offered their lives to save America and to save civilization, and in so doing received broken bodies and contracted incurable disabilities, these regulations are beyond finite understanding.

I voted for the Economy Act, but I did not vote for these regulations. No, indeed.

My vote was cast for the Economy Act after I had received the most positive assurance that it would be administered under just regulations, and although I want to be fair to everybody connected with the administration of the act, I cannot entirely escape a disagreeable feeling that my trust and confidence have been abused.

What happened? After Congress had voted this blanket authority to revise the pension rolls in the interest, as they thought, of justice, someone to whom the task was delegated apparently slashed pensions without rhyme or reason, perpetrating the grossest injustices on a great many veterans who do not deserve such treatment. This slashing process, with its potpourri of injustices, was revealed when the new regulations were made public and the Veterans' Bureau offices began to function in the task of cutting pensions.

Nothing is finally settled until it is settled right, and this question will be settled right before it is settled at all. The Economy Act was conceived for the laudable purpose of wiping out wrongs against the taxpayers arising from the presence of undeserving persons on the pension rolls, but these regulations merely shift the scenery and relocate the wrong by placing it on veterans whose bodies are racked with service-connected disabilities. One wrong cannot be cured

by the commission of another. These regulations are crying to heaven for revision, and they will be revised. Make no mistake about that. They are shot all through with unfairness and injustice, and the American people, who want liberal and humane consideration to rule in dealing with veterans with service-connected disabilities, will never permit these regulations to stand unamended.

I do not know who wrote these regulations, and I hope I never shall know. If I knew him, I would be tempted to repeat to him a remark made to me recently with a touch of humor by a veteran, who said: "I do not know who wrote the regulations, but I do know that he has a heart as big as a chigger." If he is the man I think he is, that castigation does him a serious injustice. I think some superior officer probably said to him: "We ought to save \$400,000,000 a year by revising the allowances to veterans"; and, being very efficient, he undertook to make a good job of it and without due thought and consideration cut too deeply.

WHAT IS THE RIGHTEOUS SOLUTION?

Now, what is the righteousness of this problem of soldiers' compensation? What is the justice of it? Let us as Members of Congress get down to brass tacks and seek to analyze the evils that have grown up under the veterans' laws and to apply the remedy, without doing injustice to anyone.

That evils have developed which are an unjustifiable burden on the taxpayers no one will deny. Many comparatively young men with questionable disabilities, and with no disabilities at all of service origin, have managed to get their names engrafted on the pension rolls. They ought not to be there. Many officers of the World War, drawing officers' retired pay, are on the Government's salary rolls and are receiving large salaries in addition to their retired pay. That ought not to be. It was to wipe out these injustices and to save the Nation from financial chaos and ruin by correcting such conditions as this that most of us voted for the Economy Act. We did not dream that regulations would be adopted ripping into service-connected cases and reducing to the very depths of penury and want soldiers of the Republic who certainly earned the right to better treatment when they received permanent combat injuries in fighting for their country.

WARDS OF THE NATION

That constructive work could well be done in the direction of revising the pension rolls every honest person will admit. The rolls should be purged of those whose claims have no merit. But those who went through the horrors of war and in that conflict received injuries that have permanently maimed and disabled them and have wrecked their whole lives should be treated with kind consideration.

SAFE AND SANE LEADERSHIP

I represent a district in which there is a very large population of veterans of all wars. The national headquarters of the American Legion is located in my district and at this point I should like to digress to pay a compliment to the men who represent the Legion in its matters before Congress, outstanding among whom are National Commander Louis A. Johnson, Capt. Watson B. Miller, John Thomas Taylor, and Edward Lewis. While they ably represent their group, they are sanely constructive and, recognizing the extreme need of economy in the public-welfare equation, they are always ready to yield to any reasonable compromise. Their attitude, in short, is very fine. We have there in the heart of the city of Indianapolis a most imposing memorial to the 4,000,000 Americans who in one vast uprising of patriotism went forth a decade and a half ago to give up their lives, if necessary, that civilization might not perish from the earth.

Many of them returned with shattered minds and broken bodies, never again to know what it means to be free from distress and pain, and many of these service-disabled men now find that the financial relief around which they have ordered their lives and on which they depend and to which they have looked forward expectantly for some measure of freedom from suffering, has been cut to almost nothing by the harsh regulations promulgated under the Economy Act.

ENORMOUS MAIL FURNISHES EVIDENCE

Any person who would read the enormous mail that comes to my office day by day would need no more graphic evidence to convince him of the injustice of those regulations than the letters that are constantly pouring in. Day after day the mails bring to me specific instances of glaring wrongs that would be inflicted by these regulations on soldiers with combat disabilities. I shall not burden the record with a large number of citations from this voluminous correspondence but shall set forth a few examples showing how the regulations are operating. An Indianapolis veteran writes:

I received from the Veterans' Administration this week a notice informing me that my pension of \$90 a month has been reduced to \$34 a month. For a man as badly injured as I am, my arm torn off at the socket, all of the ribs on my side crushed, and a piece of my scalp torn off, which injuries were received in the line of duty, to be cut from \$90 to \$34 is more than I can see.

Can anyone else, looking at this man's case through the spectacles of justice, see it, either? He adds:

I have not only myself to keep but also have an old mother to support. How that is to be done I don't know.

Nor does anyone else know, unless it be the good God above us.

Another Indianapolis veteran finds his compensation of \$20 a month cut off by the regulations. He writes:

Mr. LUDLOW, I could see why that Disability Allowance Act should have been killed, but why a man who is a plain service-connected case, and all records of his case proven, should be cut off I cannot see. If other service-connected cases have been treated like I have been, God pity them.

Another veteran, also of Indianapolis, writes:

Knowing you to be a friend of the ex-service man I am appealing to you in regard to my compensation. I have received a letter notifying me my compensation was cut off. I was wounded twice while in service and my arm is crippled. Every examination shows my wound to be permanent partial disability. I have not had any work for the past 2 years, and taking my compensation away from me means to throw me on charity.

One veteran of my district who has been drawing \$50 a month for service-connected pulmonary tuberculosis finds himself reduced to \$8 a month, and in a note of despair he writes:

I believe that a cut of 87 percent is not fair to me, and that any amount the Government has paid has not been too much for what I have suffered and no doubt will continue to suffer the rest of my life.

Says another Indianapolis veteran:

Letter under date of May 23 from the Veterans' Administration cuts off my compensation in its entirety. I have been drawing \$62.70 per month since September 8, 1930, and compensation in various amounts since date of discharge, and all the records show service-connected disability and hospitalization.

Arthur G. Gresham, a prominent and highly respected Indianapolis veteran, former State commander of the Veterans of Foreign Wars, writes:

Each day I receive a large number of letters from service men all over the State demanding restoration of compensation of all service-connected cases. These veterans interpret service-connected as any case that has been established under the old law which provides that if a veteran can connect his disability with the service by furnishing substantial medical evidence his case is service-connected. The provision in the regulations issued by the President which states that disability must have been incurred before November 11, 1918, is an injustice and most unfair.

Again I ask for the restoration of all established service-connected cases and for action at once. I ask that you do your part to prevent Congress from adjourning until justice has been done.

Ollie A. Davis, Adjutant of the American Legion, Department of Indiana, sends me some striking examples of the operation of the regulations in Indiana. He says:

We believe that our Representatives should know exactly what is being done toward World War veterans by this new economy bill, and for your information and records I am submitting herewith the results of this new economy program.

On 1,131 claims that have been reviewed in Indianapolis Veterans' Administration office, 362 awards have been discontinued; 303 will receive \$8 per month; 181 will receive \$20 per month; 82 will receive \$40 per month; 42 will receive \$60 per month; 21 will receive \$80 per month; and the most drastic cut is 76 who were drawing permanent and total of \$100 per month have

been reduced to \$20 per month, which makes a total of over \$22,500 that has been cut from 1,131 awards or 65 percent.

I made a personal investigation of four different cases that were rerated under the new schedule which I think that you, as Representatives, should know, and I want to take the time to explain these four different cases, which I am sure you will agree is too much of a cut on these cases.

1. A veteran was drawing \$51 per month for gunshot wounds, left shoulder, left side, and left thigh; and as result of operation on his left shoulder to remove shrapnel, the nerve was affected so that he lost his grip in the left hand, and the new law only allows \$8 per month for loss of grip on this award, and no other benefits are obtainable.

2. A veteran suffered complete loss of creative organs, muscle involvements in thigh, and limitations left ankle, all results of gunshot wounds in combat. He had been rated permanent total since day of battle and drew \$125 per month under the old law. Under the new law he will draw \$40 per month.

3. A veteran served on the Mexican border in 1916, was treated for intestinal trouble and constipation, was discharged February 1917. He reenlisted in the World War in 1917, serving in battles in France. He had a severe aggravated condition, formerly rated total, colitis, severe. He was drawing \$100 per month under the old law and is now rated disability not due to service and receives no award.

4. A veteran had active pulmonary tuberculosis at time of discharge. After serving overseas, and after returning to the States, for 18 months he was in a tuberculosis hospital or in the far West climate for his condition. The condition became arrested, he was drawing \$50 per month and is now rated no percent disabled.

These are only four out of many that are being reduced under the new law and we leave this up to you to decide whether or not the ex-service man of the World War is receiving justice under this Economy Act. We sincerely hope you will support the veteran and not reduce his compensation any more than the cuts taken by yourself or all Government employees, which is 15 percent.

The files of my office are bursting with letters like the above, all telling of the feeling that has been aroused among World War veterans with bona-fide service-connected cases.

SPANISH WAR VETERANS ALSO ILL-TREATED

And now I want to say a word in behalf of Spanish War veterans, who, I think, also are ill-treated by the regulations which cut them off the rolls entirely in event of their inability to establish service connection. It has been more than 30 years since the close of the War with Spain. Many of the participants in that struggle are dead. The records of that time were very imperfect. How in the name of common sense can Spanish War soldiers be expected at this late date to secure evidence to establish the service origin of their disabilities? And if they are deprived of their pensions how can they, at the average age of 60, secure employment when the management of every concern in the country frowns on the acceptance of men over 45 for employment?

A physician of Miami, Fla., himself a Spanish War veteran, writes to me as follows:

In a recent circular sent out by Mr. Bryson, manager of the Veterans' Administration facility, St. Petersburg, Fla., to all medical examiners, he states that we are advised by the central office that only a few Spanish-American War veterans have actual service-connected disabilities. The result is that we are condemned before we are even tried.

This week several men have shown me letters from the Veterans' Bureau reducing their compensation from \$60 to \$20 per month. I have examined these men several times. I know that their disabilities are service connected, and I am writing to you to ask your assistance in restoring to them what they should have. Several of these men have no income at all except their pensions. They are worried to death because they and their families are going to become a charge on the city of Miami. Several have died recently, caused by the worry of such a condition. I have heard of several committing suicide in other parts of Florida. On account of the climate there is probably a larger percentage of such veterans in Florida than in any other State. Hundreds of thousands of dollars will have to be provided by the communities of Florida to take care of these people. Not only did the United States Government do this before, as they should, but the pension money was all spent here in Florida.

We have many Spanish-American War veterans here from Indiana who have moved here on account of their disabilities as well as their inability to keep warm without the use of coal. I am hoping your sympathy will extend to all the Hoosiers, even if they are compelled to live down here on account of their health.

I consider the conditions here as serious. Any help you may be able to give to relieve this condition will be greatly appreciated by all the veterans of the Spanish-American War and the Philippine insurrection of this State.

From Indianapolis I received many telegrams pointing to the Connally amendment as a measure of justice to the Spanish War soldiers. I shall not quote all of them but

will set forth a message from Frank G. Mathusack, of 410 North Dorman Street, Indianapolis, as a sample of all. Mr. Mathusack, who served his country with great credit in the War with Spain and later in the Philippines, wired as follows:

I hope you will vote for the Connally amendment to the independent offices appropriation bill as it refers to Spanish War veterans who cannot show service disability after 35 years.

I shall quote only one more telegram from the Spanish War group, showing their viewpoint. It is from William J. Otjen, commander in chief of the Spanish War veterans, and is as follows:

As commander in chief of the United Spanish War Veterans, I am urging you to give your support to the Connally amendment to the independent offices appropriation bill which limits the reduction of pensions to Spanish War veterans to not more than 25 percent. While I feel this is a most drastic cut, the fact remains that by the adoption of the amendment thousands of Spanish War veterans will be able to live without the necessity of applying to local charity organizations, which would be the case after July 1, if present regulations are put into effect. As President Roosevelt stated in his regulation no. 12, veterans of the Spanish War are severely handicapped, in fact almost debarred from proving service connection 35 years after their muster out of service, and we feel that the Connally amendment meets the existing problem in an acceptable manner to both the veterans and the taxpayers.

I believe our Indianapolis Spanish War friends and Commander Otjen who wired to me were absolutely right. I indorse the reasonableness of their attitude and I was glad to have the opportunity to show my sympathy for their position by supporting the Connally amendment.

The Connally amendment was not "in the picture", however, and in its place came the Steiwer-Cutting amendment which is now before the House and which gives to Spanish War Veterans the justice that is denied to them by the regulations.

LETTER TO PRESIDENT

I did everything that was humanly possible for a Member of Congress to do to urge the adoption of regulations that would be fair to the soldiers of all wars and at the same time fair to the taxpayers of the United States who have to bear the burden of veterans' legislation. On March 15, in behalf of the Spanish War veterans, I sent the following letter to President Roosevelt:

MARCH 15, 1933.

DEAR MR. PRESIDENT: In a spirit of cooperation and with a desire to be helpful if possible in connection with the administration of the new Economy Act, please permit me to say a few words in reference to the Spanish War veterans and to point out what I believe to be their exceptional status under the new act which by the time this reaches you probably will be a finished piece of legislation.

During the fiscal year 1933 the direct benefits paid to the veterans of all wars in which the United States has engaged will be \$799,200,000. Segregating the various items we find that of the above amount the direct benefits paid to Spanish War veterans will be \$116,400,000. Of this item of \$116,400,000 it is estimated that only about \$60,000,000 will be the sum paid to Spanish War veterans with non-service-connected disabilities, a relatively small amount compared with \$799,200,000, the total paid in veterans' benefits.

I am writing to express the hope that non-service-connected Spanish War veterans will not be cut off of the rolls for the following reasons:

1. Their average age is now 60 years, and if they lose the support the Government has long given to them and upon which they have learned to order their lives, they will be unable on account of age to obtain employment to sustain themselves and their dependents.

2. There has been such a lapse of time since the war with Spain that it would be manifestly impossible for a great majority of the veterans of that war at this late date to obtain the necessary evidence to establish service-connection.

If it is felt some action must be taken in regard to the pensions of Spanish War veterans, I would respectfully suggest that instead of removing them from the rolls entirely the ends of justice might be served with due regard for the needs of the Treasury by making a cut of, say, 15 percent in the pensions of that particular group to conform with the pay cut of Federal employees.

I understand that under the new Economy Act your powers are very flexible and that you could consider age as a factor in extending special recognition to the Spanish War veterans. I hope you may see your way clear to do this. In these modern times a man at the age of 60 usually finds the doors of opportunity closed and employment beyond his reach.

I am sure, Mr. President, that you will administer the new Economy Act humanely and the thoughts I have herein expressed no

doubt already have occurred to you. I know you will pardon me for reminding you of them, and I thank you for the just consideration I am certain you will give to the soldiers of the War with Spain.

Very sincerely yours,

LOUIS LUDLOW.

Two days later, on March 17, I received the following letter from Col. Louis Howe, the President's secretary:

MY DEAR MR. LUDLOW: Your letter of March 15 to the President has been received. He deeply appreciates the spirit of cooperation and helpfulness in which you have written. You may be sure that all of these veterans' matters will have his most sympathetic and careful consideration.

Sincerely yours,

LOUIS McH. HOWE.

Soon after the Economy Act passed I called twice on Gen. Frank T. Hines, Administrator of Veterans' Affairs, and, accompanied by W. M. Loudon, a distinguished Spanish War veteran of Indianapolis, I went to see Mr. J. O'Connor Roberts, Solicitor of the Veterans' Administration, the purpose of these visits being to impress upon the authorities the need of exercising great care in framing the regulations to see that reductions were made justly and equitably.

FAITH IN ROOSEVELT

I wish to repeat—and this expression of confidence comes from the heart—that I have the utmost faith in President Roosevelt, whom I believe to be both just and humane, and I think that when he finds that the hardships and injustices inflicted by the Economy Act regulations are so numerous, so real, and so cruel, he himself will move to bring about further amendments that will take away the sting. My own thought is that an amendment to the regulations that would limit the reduction of Spanish War pensions and service-connected World War cases to a 15-percent cut, which is the same cut that has been applied to the salaries of all Government employees, would just about meet the situation and serve the ends of justice. Modified in that way the regulations would still result in a large saving of the taxpayers' money without any real cause for complaint from any quarter.

There is one rule, and only one, by which this question of pensions should be decided, and that is the rule of right. We should strike off the rolls the names of all who do not deserve to be there, but we should be equally solicitous to do the right thing on the other side of the equation and should keep on the rolls all the veterans who deserve to be there, and pay them fair and liberal rates. A just nation can do no less than that. There must be a revision of the pension administration in the interest of a more equitable distribution of benefits and also in the interest of the taxpayers, who have to foot the bills. Some veterans are receiving large allowances for small disabilities, others are receiving no allowances for large disabilities. The whole pension system at present is a hodge-podge of inconsistencies and is excessively costly to the taxpayers. President Roosevelt is right in taking the lead for a reformation of the system. The fault is with his subordinates who prepared the regulations. The fairest proposition before Congress in the interest of the veterans of all the wars and the public that wants to see the veterans treated with fairness is the Steiwer-Cutting amendment, which will save the taxpayers \$312,000,000 a year, and I am glad to keep my pledge of fair treatment to the veterans by voting for the Steiwer-Cutting amendment.

Mr. LOZIER. Mr. Speaker, Public, No. 2, known as the "Economy Act", was passed in a period of national peril, and seemingly at a time agriculture, transportation, industry, business, and all other vocations were drifting rapidly to disaster. Conditions were more serious than at any time in our national history—in fact, much more grave than those which confronted us during the World War period. The National Treasury was bankrupt, States were bankrupt, cities were bankrupt, and practically every occupation was in financial distress and about to be broken on the rock of insolvency. We were facing economic chaos and on the verge of a bottomless abyss.

Under these conditions the President called on the American people to meet the emergency and save the Nation from bankruptcy by granting him plenary powers to regulate and reduce expenditures of the Government of every kind and character. In his historic message of March 10, 1933, which struck fire from flint and awakened all Americans to a frenzy of patriotism and self-sacrifice, the President said:

When a great danger threatens our basic security it is my duty to advise the Congress of the way to preserve it. In so doing I must be fair not only to the few but to the many. It is in this spirit that I appeal to you. If the Congress chooses to vest me with this responsibility it will be exercised in a spirit of justice to all, of sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States.

Believing that the perpetuity of our institutions was menaced, and that the emergency required a full measure of sacrifice all along the line, Congress granted the President the extraordinary powers believed to be necessary to avert economic chaos and national disaster. The President was authorized to cut Government expenses so as to balance our National Budget, restore Government credit, establish confidence, and bring our people out of the wilderness into a normal national life.

Under the powers granted, the President was authorized to reduce pensions and compensation benefits to veterans of all wars and their dependents. When this power was conferred, I think I speak the truth in saying that every Member of the House and Senate believed that it would be reasonably, wisely, and humanely exercised. I am quite sure that if it had been known or suspected at the time that such drastic cuts would be made as were subsequently made in the pensions and compensation of veterans, especially those suffering from service-incurred disabilities, the economy bill in its present form would not have been enacted.

Members of Congress knew that President Roosevelt was not only a wise and patriotic statesman, but a man of ripe experience, sound judgment, tremendously sympathetic, and actuated by lofty ideals and humane motives, and believing that the President would accurately appraise the claims and needs of veterans and their dependents, and in every instance grant a full measure of justice, and that the cause of the veterans would be safe in his hands, the Economy Act was passed.

I have not lost faith or confidence in the wisdom, patriotism, fairness, and high sense of justice of Franklin D. Roosevelt. For him I have an ever-increasing admiration. In his veins flows the milk of human kindness. He is the same big-hearted, generous, kindly, compassionate character that he has always been. He is unspoiled by power, unawed by the economic dangers that threaten our national existence; courageous, yet confident, as he fights with his back to the wall against the evil influences that have poisoned the fountains of social justice and unbalanced our national life for the last 12 years.

Nor has Congress lost its faith or confidence in the President. I believe, and I think every Member of Congress believes, that President Roosevelt was too busy trying to lift a troubled Nation out of the quagmire of an unprecedented depression to realize just what the Veterans' Administration was doing when it promulgated the unreasonably severe and entirely too drastic regulations relating to pensions and compensation of veterans and their dependents. Buffeted by cross currents and rip tides of unparalleled proportions, it was humanly impossible for the President to supervise every governmental agency; and, being compelled to depend on departmental heads and bureau chiefs, it was but natural that he should look to the Veterans' Administration to formulate the regulations which would bring about an equitable readjustment of pensions and veterans' allowances.

In preparing these regulations and in determining what reduction should be made, the Veterans' Administration seems to have been functioning under some evil influence, and as a result the regulations were in many respects unreasonably harsh, unquestionably unfair, exceedingly unsympathetic, contrary to the intent of Congress, and not in harmony with the humane attitude of the American people toward our disabled veterans and their helpless dependents.

The reduction in pensions and compensation, especially for service-incurred disabilities, was entirely too drastic and in many instances was so harsh and inhuman as to shock, methinks, the conscience of even many hard-boiled members of the Economy League.

I am sure the veterans understand the tremendous load President Roosevelt has been carrying. Obviously he could not give very much personal attention to each and every perplexing question that dogged his footsteps and plagued his administration. With all of his great powers and remarkable comprehension of national problems, he is only a man and has his finite limitations, and there is, of course, a limit to what any one man can do. Our Government is so complicated and our national ills have become so chronic and acute that the world wonders how the President has been able to give so much personal attention to so many different matters, and seemingly in every instance get unlooked-for results and bring order out of confusion. Therefore the unwise and unjust action of the Veterans' Administration escaped the President's attention until the Nation awakened to a realization of the full measure of injustice that had been done thousands of disabled and deserving veterans and their dependents.

It is a rule of my life to be charitable and temperate in my judgment and appraisal of the motives and conduct of men, and I do not believe that the officers of the Veterans' Bureau at the time they promulgated these regulations fully realized the injustice and in a multitude of cases the cruelty and inhumanity that would inevitably flow from their enforcement. The President, General Hines, and Mr. Douglas all admit that the regulations were too harsh and the pension and compensation cuts entirely too drastic.

When the American people realized the extent of the injustice with which a great army of disabled veterans were threatened, a wave of protest and indignation swept from coast to coast. The belief was almost universal that the Veterans' Administration had gone entirely too far, particularly with reference to veterans who are suffering from service-incurred disabilities.

I am a member of the Democratic steering committee of the House, which was created to formulate and direct the policies and procedure of the Democratic majority. On this committee I represent the States of Missouri, Iowa, and Minnesota. The Democrats in Congress took the lead to moderate and humanize the regulations of the Veterans' Administration, and to restore pensions and veterans' allowances to a fair and equitable basis. And in so doing we did not violate the letter or the spirit of the Economy Act. In passing that measure Congress never intended that the veterans should be unduly penalized, or compelled to bear more than their just proportion of the contribution necessary to balance our Budget and restore national credit. The Economy Act was right in theory and principle, but the Veterans' Bureau did not administer it sympathetically but by harsh, and in some respects inhuman, regulations reduced the pensions and compensation of deserving and disabled veterans to a point where the future held nothing in store for them except public charity or the poorhouse.

About the middle of May the Democratic steering committee appointed a special veterans' committee to confer with the President, with a view of securing a liberalization of the regulations promulgated by the Veterans' Administration in relation to pensions and veterans' allowances. A Democratic caucus ratified this action. This special veterans' committee consisted of seven Democrats—CROSSER, of Ohio; POW, of North Carolina; GOLDSBOROUGH, of Maryland; HASTINGS, of Oklahoma; LEA, of California; PATMAN, of Texas; and LOZIER, of Missouri. This committee called to its assistance Mr. BROWNING, of Tennessee, and Mr. JEFFERS, of Alabama. PATMAN, BROWNING, and JEFFERS are World War veterans with honorable service records, and are recognized in and out of Congress as probably the best informed men in the United States in reference to veterans' legislation and veterans' affairs. Their devotion to their country and to the cause of veterans and their dependents will not be questioned. They are men of integrity, ability, and sound

judgment. Two have service-connected disabilities. Our committee desired their help and expert knowledge in our conferences with the President. In assisting in bringing about an acceptable compromise the value of their services to the veterans and the country cannot be overappraised.

Our committee held numerous conferences with the President. He welcomed us, listened to our plea, discussed the veterans' problems from every standpoint, reviewed the past and present pension policies, discussed in detail the regulations previously promulgated by the Veterans' Administration, frankly and earnestly stated his position, at all times was patient, courteous, sympathetic, seemingly anxious to correctly understand the situation, do full justice to the veterans, and at the same time protect the taxpayers of the Nation from unreasonable burdens.

Our first interview lasted nearly 2 hours, the second 3 hours, the third 3 hours, and at no time did the President become impatient, listless, or show a disposition to end the interview. We sat around the table and talked face to face in an earnest endeavor to reach a just and proper decision. I understand that in our several interviews with the President our little veterans' committee was probably given more time than the President had given to the representatives of the powerful groups of financiers, industrial lords, and transportation kings who conferred with him in reference to the epoch-marking legislation relating to banks, railroads, industry, and big business. And during these interviews Mr. Roosevelt was so human, cordial, and considerate that we almost forgot that we were talking to and matching wits with the President of the United States, the most powerful and most beloved man in the world.

These were epoch-marking, history-making conferences. We were seriously discussing the relative rights of the veterans and the taxpayers, and endeavoring to find a formula or plan that would be just and fair to the veterans, and yet not unjust or unfair to the Government. General Hines and Director of the Budget, Mr. Douglas, participated in these conferences. While I have long recognized the outstanding ability, exalted character, and far-seeing statesmanship of Franklin D. Roosevelt, until I saw his superb intellect in action for hours, I had not comprehended the full measure of the man or accurately appraised his striking and admirable qualities of mind and heart. Whether in attack or on the defensive, he is always intellectually alert. He is robust, sturdy, and intensely human, yet unyielding where principle is involved. He frankly said that he would liberalize the regulations promulgated by the Veterans' Administration, because he thought they were unreasonably rigid, and that as to veterans with service-incurred disabilities the reductions were too drastic. As a result of our conferences with the President a compromise was reached which was accepted by the House, plus the Byrnes amendment, and finally approved by the Senate.

Now compromises are seldom satisfactory to either side, but I am convinced that for the time being we have secured the best possible settlement of this perplexing veterans' problem. I was not satisfied with some of the features of this compromise. The regulations of the Veterans' Administration cut too deep and took away from veterans and their dependents more than was just and reasonable. By this compromise settlement the veterans recover a substantial part of what wrongfully was taken from them. The regulations cut their allowances \$410,000,000. By this compromise \$100,000,000 of this loss is recovered.

While the veterans, by this compromise, are not getting all they demand nor all to which I think they are entitled, they have certainly made progress, because under present economic conditions \$100,000,000 is a dignified sum which will be tremendously helpful until a final and fair solution of the veterans' problem can be reached. In this Congress no legislation could have been passed over a Presidential veto. If Congress had refused this adjustment, we would have faced a veto, and ultimately the veterans would have received much less than they get under the compromise that our committee negotiated with the President.

Our committee worked diligently to effect a settlement that would restore every benefit of which the veterans had been unjustly deprived. While conceding that the rolls should be purged of unmeritorious and fraudulent cases we insisted that every presumptive case should remain on the rolls until the Government, by clear and convincing evidence, affirmatively showed that the disability in question was not incurred in or aggravated by service. We vigorously contended that the Spanish-American War veterans and their widows should remain on the rolls and draw not less than 75 percent of the pensions that they had previously been receiving.

Now, let us see what we are getting for the veterans by this compromise: We restored the widows and dependents of 36,325 World War veterans to the pension rolls, and they will continue to draw the same pensions they formerly received without any deduction whatsoever. We restored to the rolls for the time being 154,848 World War veterans who had presumptive service-connected disabilities, and made it possible for many of them to remain on the rolls permanently, because the compromise provides that the burden of proof is on the Government to show by affirmative evidence that the disability was not incurred in or aggravated by the service, and in determining the question of service connection all reasonable doubts must be resolved in favor of the veterans.

I helped frame this language, and it is so plain and clear-cut anyone who reads it will readily understand that a veteran who has a direct or presumptive service-connected disability will remain on the rolls until the Government, by clear and convincing evidence, affirmatively and conclusively shows that the disability was not incurred in or aggravated by the service. Then again the compromise puts back on the pension rolls 105,660 Spanish-American War veterans who would have been removed under the original regulations issued by the Veterans' Administration.

Except, as to Spanish-American War veterans, the compromise that was finally adopted—that is, the House proposal plus the Byrnes Senate amendment—was more favorable to the veterans than the Connally amendment, and even now the President has authority under Public, No. 2, to restore to Spanish-American War veterans all the benefits they previously enjoyed.

The Connally amendment did nothing for the widows and other dependents of 36,325 deceased World War veterans whose pensions would have been discontinued July 1 under the regulations of the Veterans' Administration.

Our committee worked hard to get a more liberal allowance for Spanish-American War veterans, and I regret that we were unable to write into the bill a satisfactory and definite provision granting adequate pensions to this group of deserving veterans, most of whom are needy, disabled, or suffering from the infirmities of age. Our committee was deadlocked with the President for 2 days on Spanish-American War pensions, and much of the time consumed by our committee in conference with the President was used in discussing Spanish-American War pensions.

We could see no reason for the discrimination against veterans of the Spanish-American War, and we urged that they be allowed to remain on the pension rolls at not less than 75 percent of their previous pension allowances. They served in a tropical climate, lived in unsanitary camps, were compelled to eat unwholesome food, and had no hospitals and little or no medical attention, and practically no records were kept of their illness, activities, and service.

The President agreed to reduce the pensionable age of Spanish-American veterans in non-service-connected cases to 55 years, and only a few are now under that age. While this group will draw not less than \$15 per month, we succeeded in placing them on the rolls, which will help tremendously when an effort is made in subsequent Congresses to give the Spanish-American War veterans a fair and adequate pension, which they are not getting at the present time. Now, practically every Member of Congress with whom I talked admitted that the Spanish-American War

veterans are subject to an unjust and undeserved discrimination, whether considered on the basis of their age and infirmities or in comparison with pensions paid to veterans of other wars.

But your committee did the best it could. Congress did the best it could. We got everything we could get for the Spanish-American War veterans. We only yielded when we saw that we could get nothing more. But they have a just cause, and as sure as night follows day Congress will correct this mistake and place the Spanish-American War veterans on an equality with the veterans of other wars.

The Steiwer Senate amendment did not differ materially from the House proposal, except it restored Spanish-American War veterans to the rolls with three fourths of their original pensions. I gladly would have accepted the Steiwer amendment if there had been any chance for it to become a law, but the President authorized Senator ROBINSON, the Democratic Senate leader, to state that if Congress adopted the Steiwer amendment the bill would be vetoed. So nothing could be gained by sending the Steiwer amendment to the White House, where an inevitable veto awaited it.

If Congress had refused to approve this compromise, adopted the Steiwer amendment, and forced a Presidential veto, it would have done irreparable injury to the veterans and their dependents, and such ill-advised action would have set back the veterans' cause for at least 10 years. As Senator CLARK stated in the Senate, "a part of something is much more than all of nothing." Our committee secured the maximum concessions it was possible to obtain, and Congress rendered a very valuable service to the cause of the disabled veterans by averting an open breach and schism with our popular and beloved President, behind whom the Nation stands almost as a unit.

With more time and opportunity to study the question, I am confident the President and Congress will be able to agree on a policy that will do full justice to the veterans of all wars, and at the same time strike from the rolls the names of all those who have no just claim on the Nation's bounty and whose retention on the rolls is unfair to the deserving veteran and imposes an unjust burden on the tax-paying public.

May I enumerate some of the advantages accruing to veterans and their dependents as a result of the action of Congress?

(a) Under the regulations issued by the Veterans' Administration, the presumptives were all to be removed from the rolls July 1. Under the compromise all remain on the rolls and receive not less than three fourths of their present allowances until an independent board set up by the President determines their rights to service connection. These boards are not bound by medical opinion or clinical findings, but will consider all evidence offered, with all reasonable doubts resolved in favor of the veteran, and with the burden of proof on the Government to show affirmatively that the veterans' disabilities are not service connected. This provision will retain many thousand veterans on the rolls who would have lost their compensation July 1.

(b) Veterans who have disabilities which are directly service connected are saved from the drastically low cuts made under the Economy Act and their compensation restored to within an average of 18 percent of what they have been receiving, with a provision that the reduction shall not exceed 25 percent in any directly service-connected case.

(c) The widows, orphans, and other dependents of 36,325 World War veterans are restored to the rolls and will continue to draw the pensions they formerly received, without any reduction whatsoever.

(d) Under the regulations authorized by the Economy Act, veterans suffering from total and permanent non-service-connected disabilities had their pensions reduced to \$20 per month. Under this compromise they will receive \$30 per month.

(e) All Spanish-American War veterans who are suffering from service-connected disabilities are given an increase and allowed the same pensions as veterans of the World War, in the same class.

(f) All Spanish-American War veterans over 62 years of age will receive not less than \$15 per month. Under the regulations issued by the Veterans' Administration they would have received only \$6 per month.

(g) All Spanish-American War veterans between 55 and 62 years of age who are in need and 50 percent disabled from any cause will receive not less than \$15 per month.

Now, a word in reference to disability-allowance cases—those where the disabilities have not so far been shown to be service connected. Where this disability is total and permanent, the veteran will receive \$30 per month, \$10 per month more than he would have received under the regulations issued by the Veterans' Administration. Aside from this increase, the compromise does nothing for those drawing disability allowance, and nothing could be done for this group of veterans because as to cases where the disability is less than total and permanent, and is not shown to be service connected, the President was adamant and determined not to budge an inch. He told us kindly but firmly, that while this group would be given hospitalization, he was opposed in principle to granting them pensions unless they have a total and permanent disability. In other words, the President is opposed in principle to granting a pension to any veteran unless such veteran's disabilities are shown to be service connected.

I am convinced that many of these disability-allowance cases are meritorious and the veterans justly entitled to Government aid. In many of these cases, the veteran claims and honestly believes his disabilities are due to his service, and has submitted much proof to substantiate his claim, but because of imperfect and hastily prepared hospital and military records, the veteran is unable to furnish the proof demanded by the Government to establish such service-connection. In many other cases the veteran had hospital records, and was shown to have suffered from severe illness while in the service, but the Bureau physicians held that the proof was not sufficient to show that the veteran's present disabilities were the outgrowth of his illness while serving his country.

Many veterans who are drawing disability allowances are in equity and good conscience entitled to disability compensation, but perhaps through some technicality or omission in the records, service connection has been denied. When the disability-allowance statute was enacted, thousands of soldiers who had applied for disability compensation and were endeavoring to establish service connection of their disabilities concluded to accept the disability allowance rather than to be put to the trouble and expense of establishing their right to disability compensation.

Now, after our committee had its first conference with the President, he promulgated regulations liberalizing the regulations previously issued under the Economy Act. Under these new regulations approximately \$40,000,000 annually was added to the amount payable to veterans and their dependents, as pensions and compensation allowances. But our committee was not satisfied with this increase, and insisted on additional concessions, which we believed in fairness and all good conscience were due the veterans. We continued our conferences with the President and, as I have stated, obtained additional concessions bringing the increases to approximately \$100,000,000. We feel that we were partially responsible for the first liberalization made by the President on June 6 which restored directly service-connected cases to within 18 percent of their former rating; but be that as it may, the fact remains that since the Democratic House caucus sent our committee to the President the law and regulations have been liberalized so as to add \$100,000,000 to the annual payment to veterans and their dependents.

I am convinced that in thousands of cases the disabilities of veterans are due to their military service, even where there is no record to affirmatively and conclusively establish such fact. Many veterans came out of the war without having been seriously ill during their military service, but they were debilitated, "run down and worn out," their vitality reduced, their constitutions and vigor impaired, and perhaps slumbering in their systems were the insidious germs of dis-

ease that remained dormant and latent for months and years after their discharge, but finally became active and virulent, and ultimately produced a state of invalidism.

If the Government adopts the policy of not granting pensions to any veteran unless it is shown that his disabilities were service-connected, then by every principle of justice these disability-allowance cases should be reopened and the veterans given a chance to have their cases reviewed, so they may, if possible, establish service connection. But future Congresses will determine how far we shall go in extending aid to veterans whose disabilities are not shown to have been incurred in or aggravated by their military service.

While opposing the policy of granting pensions in cases where disabilities are not service connected, the President stated that he was willing to make an exception to this rule as to veterans of the Spanish-American War, because in that war very few, if any, medical records were kept and that there were practically no hospitals or hospitalization of soldiers, which made it practically impossible for a Spanish-American War veteran to show that his disabilities originated in or were aggravated by his military service; and as 35 years have elapsed since that war and many of the participants are dead or widely scattered, it is exceedingly difficult and in most cases impossible for a Spanish-American War veteran to establish by the testimony of his comrades that he was ill or injured in the service and in the line of duty.

While as a whole the compromise is a substantial victory for the disabled veterans, it does not do full justice to certain groups, but I am convinced that this condition will be corrected at an early session of Congress. Neither the President, the Congress, nor the American people want to deal unjustly with deserving and disabled veterans of any war who are suffering from disabilities that may fairly be traced to their military service.

Mr. LUNDEEN. Mr. Speaker, on April 6, 1917, we entered a war, they said, "to make the world safe for democracy." We won the war, and the world is now safe for international bankers, dictators, and J. Pierpont Morgan & Co. The men who fought for democracy, whose bodies and minds are scarred with the ravages of war, now see their small pittances taken from them by dictatorial powers. The Economy Act has torn down the whole structure of more than a century of pension legislation. The same international bankers who demanded that these men be sent to the trenches of Europe are now intent on robbing them of their compensation. These international bankers and captains of international industry have no flag and know no patriotism, and their only god is gold. They now declare another war, a war on the veterans of America; again they have enlisted the press of the Nation to distribute their propaganda and poison the minds of the American people against the defenders of the Nation.

They are raiders of the Treasury, and we must thrust them from their seats of power before it is too late, before they have plunged this Nation into another colossal disaster. We point them out as racketeers and we brand them as such. Write the name "Treasury raider" across every international banking house, every private munition plant, every huge corporation which controls the natural resources of this country and exploits them for enormous private profits at the expense of the people. Write the name "racketeer" across every corporation or individual who profits from war. These profiteers and racketeers have joined forces against the veterans of America. Evict them from their seats of selfish profit as they evict the workers from their homes and the farmers from their land. Let them protect their own investments abroad. Let them live and die on foreign shores where they invest and where they risk war for profit and gold.

ECONOMY LEAGUE PROPAGANDA

The Economy League spent huge sums of money propagandizing the people of this country into support of the Economy Act. The sums of money to be saved the taxpayers were advertised. The effect this so-called "saving" would have upon the veterans was not mentioned. And

when the plans of the administration for carrying out the proposed saving of \$460,000,000 were actually formulated, the burden to be thrown upon the backs of the veterans was so heavy that the facts were kept secret for a time by the Veterans' Administration.

Congress finally revolted against administrative control. A Democratic caucus of the House was held on May 25. A Democratic committee was appointed and called on the President on May 29. Estimates of veterans' cuts were demanded and received, and in submitting the estimates General Hines stated:

We have been extremely loath to give out information concerning the breakdown of these items, as it is felt that only through the review now being made may we arrive at a reasonably accurate distribution of pension expense, especially in view of the fact that but one appropriation covers pensions of all types and there probably will be variations as to the groups within this total.

I fear that any new publicity given to preliminary estimates as quoted above will create unnecessary apprehension on the part of many. For this reason the subcommittee of the Appropriations Committee of the House handling this particular appropriation bill saw fit to withhold this information from the House as a whole and confine it to the above subcommittee.

The reason why "unnecessary" apprehension was feared can be clearly seen by an examination of the estimated slashes to be made under the Economy Act. It was after these figures were published in the CONGRESSIONAL RECORD under date of May 29, 1933, by Congressman CROSSER, of Ohio, that a general but mild uprising in House and Senate occurred. The President issued new orders on June 6, 1933, slightly increasing certain classes of pensions; and various amendments liberalizing the Economy Act were tacked onto the independent offices appropriation bill and voted on by both House and Senate.

RECORD OF MINNESOTA DELEGATION ON VETERANS' LEGISLATION

I present the record of the Seventy-third Congress, and especially the record of the Minnesota delegation on these various pieces of veterans' legislation: The Economy Act, the independent offices appropriation bill as first introduced, the Connally amendment, the Steiwer-Cutting amendment, the original so-called "House compromise plan", which the House substituted for the Connally amendment, and the final plan which was adopted as a part of the Independent Offices Appropriation Act.

THE ECONOMY ACT

Here are the figures which the Veterans' Administration thought best to keep secret. These figures were published by Congressman CROSSER, of Ohio, on May 29, 1933, in the CONGRESSIONAL RECORD.

WORLD WAR

Service-connected cases

Service-connected cases will lose \$156,826,010 annually. At present 380,648 cases would draw, under the old law, \$221,728,010.

Under the new act 225,800 cases will receive \$64,902,000.

Emergency officers' retirement

These officers will lose \$6,729,827. Under the old law 6,314 retired officers would receive \$10,029,827. Under the new act the number is reduced to 2,000 retired officers, and the amount reduced to \$3,300,000.

Death compensation

(World War, including widows, orphans, and dependent parents, all service-connected)

These beneficiaries will lose \$13,689,837 annually. Under the old law 107,325 would receive \$39,389,837. The number of beneficiaries under the new act will be reduced to 77,000, and the cost to \$25,700,000.

Disability allowance

(Presumed to be for disabilities not connected with the service) These veterans will lose \$91,768,326 annually. Under the present law 501,724 would receive \$101,652,326. The number has been reduced to 48,500 under the new act, and the amount to \$9,884,000.

SPANISH-AMERICAN WAR, INCLUDING BOXER REBELLION, PHILIPPINE INSURRECTION

Service-connected

The number of cases has been increased from 600 under the old law to 19,400 under the new act.

The amount has been increased from \$291,600 to \$11,800,000. The widows have been increased from 1,175, at a cost of \$330,175, to 2,300 at a cost of \$700,000.

Non-service-connected

These veterans will lose \$85,566,633.

Under the old law 197,260 would receive \$107,026,277.

Under the present law 98,600 of these veterans will receive \$21,459,644.

The number of non-service-connected widows, under the old law, was 42,161, who would have received \$17,124,658.

Under the new act 41,036 will receive \$7,700,000, or a loss of \$9,424,658.

*CIVIL WAR**Service-connected and non-service-connected*

Under the old law 22,525 veterans would have drawn \$24,000,000.

Under the new act 22,525 veterans will receive \$21,460,700, or a loss of 10 percent.

Widows

Widows will lose 10 percent for 1 year only, the same as the veterans will lose 10 percent for 1 year only.

Under the old law 122,492 would have received \$58,534,100 the coming year.

Under the new act they will receive \$52,680,690, or a loss of \$5,853,410.

OTHER WARS—INDIAN, MEXICAN, 1812

The veterans will lose \$559,747.

Under the old law 4,676 would receive \$2,808,188; they will receive \$2,248,441 under the new act instead.

The widows, 5,135, would have received \$2,025,028. They also take a 10-percent reduction and will receive \$1,822,525.

*PEACE TIME**Service-connected*

The number under the old law would have been 21,082 and the amount \$6,400,000.

Under the new act the number of veterans will be 30,389 and the amount \$5,672,000, or a loss to the veterans of \$728,000.

The widows will be increased from 5,736 under the old law to 10,736 under the new act, and the amount increased from \$1,389,974 to \$2,400,000.

Under the new act there will also be an estimated saving of \$34,000,000 in administration, medical, hospital, and domiciliary services from \$110,538,514 under the old law to \$76,538,514 under the new act.

MILITARY AND NAVAL INSURANCE

There will be a reduction of from \$134,000,000 under the old law to \$123,000,000 under the new act.

HOSPITAL AND DOMICILIARY FACILITIES AND SERVICES

There will be a reduction of from \$5,000,000 under the old law to \$1,000,000 under the new act.

ADJUSTED-SERVICE-CERTIFICATE FUND

There will be a reduction of from \$100,000,000 under the 1934 estimate to \$50,000,000.

*PRESUMPTIVE CASES**World War veterans*

One of the most cruel blows struck by the regulations issued under the Economy Act was aimed at those veterans who are receiving compensation for disabilities presumed to be service connected under the World War Veterans' Act, as amended. Under section 200 of this act if a veteran developed active tuberculosis or nervous or mental diseases at any time prior to January 1, 1925, the condition was presumed to be due to service. The Veterans' Administration states:

On April 30, 1933, compensation payments were being made to 338,138 World War veterans whose disabilities were directly or presumptively connected with service. It is estimated that approximately 150,000 of these veterans will be dropped from the rolls under Public, No. 2 (the Economy Act), because of presumptive service connection.

These figures were given to me by the Veterans' Administration on June 8, 1933.

These 150,000 World War veterans are affected by Executive Regulation No. 1, part 1, in which there is a paragraph stating:

That for the purposes of paragraph I (a) hereof (stating that certain veterans shall be entitled to a pension) a chronic disease becoming manifest to a degree of 10 percent or more within 1 year from the date of separation from active service as set forth therein shall be considered to have been incurred in or aggravated by service, as specified therein . . . provided the person suffering from such disease served 90 days or more in active service.

IMPOSSIBILITY OF PROVING SERVICE CONNECTION

These 150,000 veterans once secured affidavits and other evidence to prove that they were afflicted with active tuberculosis or a mental or nervous disease prior to January 1, 1925. When the Economy Act was passed, they began to search frantically for more affidavits, more evidence, to

prove that their sad condition was in existence 1 year after discharge.

But they have no affidavits; they have no evidence. They did not stop after their discharge to collect evidence of their disabilities; they were heroes; they relied on the promise of Uncle Sam to take care of them. Many of the doctors who treated these men are dead; they cannot give affidavits. Thousands of veterans took no notice of their disabilities after the war. They never thought of seeing to it that a systematic record was kept of their physical condition. Their first concern was to get away from the Army and go home. Many of them found jobs in the boom years and never thought of applying for compensation until the Money Trust staged the stock-market crash of 1929.

\$20 A MONTH FOR PERMANENT AND TOTAL DISABILITY

To these permanently and totally disabled World War veterans, who formerly received \$100 a month, the first Executive regulations under the Economy Act allotted \$20 a month. By the regulations of June 6 this amount was changed to \$30. And remember that this \$20 and this \$30 were to go to veterans who suffered all the horrors of war in the trenches of France. Many of these men carried home in their bodies the dread germ of tuberculosis or in their heads the echoes of crashing shells which frequently led to mental disease. These are the men who are constantly in need of medical attention and care.

How did the gentlemen who voted for the economy bill answer the letters they received from totally disabled veterans who were notified that their compensations had been cut to \$20 a month? Did they say "It was necessary to cut your compensation to \$20 a month in order to maintain the credit of the United States Government"? These veterans know that this Government was in the red 16 years ago. Then Congress found billions of dollars to send them to the battlefield where many of them incurred these disabilities.

*PRESUMPTIVE CASES**Spanish War*

Under the Economy Act, all World War and Spanish War veterans whose disabilities were not shown to be incurred in actual service were to be dropped from the pension rolls with the exception of Spanish War veterans over the age of 62 and of veterans who are permanently and totally disabled. (That provision of the Economy Act was slightly modified by the independent offices bill as it finally passed both Houses. I will take up that modification later. It does not materially affect what I wish to say here about the effect of the original Economy Act on the Spanish War veterans.)

The so-called "presumptive clause", regulation 12 of the Executive orders, recognized that Spanish War veterans would be at a decided disadvantage in proving their disabilities to be service-connected. This clause states that these men shall continue to receive a pension under the act at the rate being paid them on the date of the enactment of the Economy Act—

It being presumed that the injury or disease causing the disability was incurred in the line of duty in the active military or naval service during . . . the Spanish-American War, including the Boxer rebellion and the Philippine insurrection.

This presumption was to be rebuttable, but the burden of proof was to be on the Veterans' Administration to show that the disability was not service-connected, and this evidence was to be based on "medical judgment or affirmative evidence."

87 PERCENT TO 90 PERCENT OF SPANISH WAR VETERANS CUT OFF

It appears that no consideration was given to this presumption clause. The burden of proof was thrown back on the veterans, who are now of the average age of 59, and many of whom are 62 and over. The United Spanish War Veterans headquarters and the National Tribune variously estimated the number of Spanish War veterans to be taken off the rolls under the regulations of the President from 87 percent to 90 percent of the total. Thousands of Spanish War veterans were apparently to be taken from the rolls because they could not qualify for total disability under the amended rating schedules authorized by the Economy Act.

These veterans have reached their declining years. I doubt if there is a Member of this House who has not received letters from bewildered Spanish War men who have received notice that their pensions are to be cut to \$6 a month or who have been dropped from the rolls. How did the gentlemen who voted for the Economy Act answer these letters? Did they reply "It was necessary to cut your pension to \$6 a month in order to maintain the credit of the United States Government. I am sorry you have no other means of support, but we will give you a flag for your grave"?

One case has come to my attention, of a Spanish War veteran who received three medals from the Navy Department in recognition for service in the War with Spain, the Philippine insurrection, and the Boxer uprising, and in the same mail received a notification that his pension had been cut from \$60 to \$20 a month. This case was reported in the Minneapolis Tribune on Thursday, June 8, 1933.

EXPLANATION OF INCREASE IN SERVICE-CONNECTED SPANISH WAR VETERANS

The increase shown here in the number of service-connected Spanish War veterans, and the increase in pensions granted them under the Economy Act, is explained in this way:

Until 1920 all Spanish War veterans who were drawing pensions had established service connection in accordance with the requirements of the old so-called "general law." On June 5, 1920, the Spanish War service pension law was passed. Under this law there was no distinction between service-connected and non-service-connected disabilities. Any Spanish War veteran who applied could receive a pension for varying rates of disability. The same applies for the laws of May 1, 1926, and June 2, 1930, which increased the rates of pension until the maximum of \$60 was reached for permanent and total disability cases.

Thousands of Spanish War veterans dropped their claims of service connection under the general law and applied for the more liberal pension granted under the later laws without regard to service connection. For that reason prior to the Economy Act, out of about 195,000 Spanish War veterans on the pension rolls, only 600 were recorded as service connected. These 600 merely had neglected to apply for pensions under the new and more liberal law.

EFFECT OF ECONOMY ACT ON HOSPITALS

With a few exceptions, under the Economy Act, no hospitalization or domiciliary care is to be given to veterans whose disabilities are not shown to be service connected under the new regulations. These are the instructions of the Veterans' Administration. About a month ago Stephen Early, Assistant Secretary to the President, issued a statement which was published in the press, in which he stated:

Regional offices of the Veterans' Administration will not be closed as has been reported, except where it has been clearly demonstrated that regional facilities are not necessary.

Apparently, under the Economy Act, it is unnecessary to treat thousands of veterans who are in need of treatment. We can dismiss several hundred doctors and nurses and throw them in the breadline. We can close up these institutions and throw the veterans in the streets. And that is exactly what is being done under the Economy Act. The Veterans' Administration reports the following figures showing the number of vacant beds in Government hospitals:

Vacant beds, Feb. 28, 1933.....	3,611
Vacant beds, June 15, 1933.....	14,638

These are not domiciliary beds, but actual hospital beds. The vacant domiciliary beds, in soldiers' homes and institutions, increased from 1,424 on February 28, 1933, to 11,706 on June 15, 1933.

In other words, there are 11,027 more vacant hospital beds today than there were before the passage of the Economy Act, and there are 10,282 more vacant domiciliary beds.

I say these men are being thrown into the streets. I said at the time this act was passed that men would be thrown out of their hospital beds into the streets, and the figures of the Veterans' Administration bear me out now. There

were assurances at the time this act was passed that it would be administered humanely, but I warned at the time against granting such broad, sweeping power on the faith that it would be wisely used. Even as early as May 1, 1933, the Naval Hospital at Philadelphia was forced to reduce the number of its patients from 578 to 270, and that fact was published in the daily press.

Every veterans' hospital in America is on the verge of disruption, and there is no assurance in any legislation passed since the Economy Act that these hospitals will be saved and the veterans of America cared for. These things are coming to pass. The warnings such as I gave at the time this act was passed cannot be silenced now with the assurance that the act will be humanely administered. It has not been humanely administered, and there is every indication that it will not be humanely administered in the future.

HOUSE ROLL CALL ON ECONOMY BILL, MARCH 11, 1933

On this act, which threatens to disrupt our Government hospitals, and which tore down the structure of veterans' legislation built up through a period of over a century, the Minnesota delegation voted as follows:

Yeas: Theodore Christianson (Republican), Harold Knutson (Republican), Einar Hoidale (Democrat).

Nays: Henry Arens (Farmer-Labor), Magnus Johnson (Farmer-Labor), Paul J. Kvale (Farmer-Labor), Ernest Lundeen (Farmer-Labor), Francis H. Shoemaker (Farmer-Labor), Ray P. Chase (Republican).

The bill passed by a vote of 266 to 138.

TO ACCEPT SENATE AMENDMENTS WAS TO MAKE ECONOMY BILL LAW

No Farmer-Labor Member of the House of Representatives voted for the economy bill, either as first introduced or as amended by the Senate and again passed by the House March 16, 1933. Farmer-Labor Members of Congress knew that a vote for the Senate amendments to the bill was a vote to send that bill to the President for signature. It was not just a vote to improve the bill; it was a vote to pass the bill. Separate votes were not taken on the amendments and then on the bill in the House. Members of the House voted for the amended bill as it came from the Senate or they voted against it.

If a majority of the Members of the House had voted against the amended bill, it could not have become a law, and the structure of veterans' legislation built up through 150 years could not have been struck down with one blow. If a sufficient number of Representatives had voted against the amended bill, it would have gone back to conference instead of to the White House for the signature of the President. Instead of voting to accept a bad piece of legislation because it had been slightly improved, Farmer-Labor Members rejected it altogether. If a sufficient number of Representatives had done likewise, a large number of totally disabled veterans would never have received notice that their compensations were to be cut to \$20 a month on July 1, 1933. Thousands of veterans would never have been told that they were to be removed from the pension lists and thrown on State and local charity. Thousands of bewildered old men who once volunteered their services in the Spanish-American War when they were mere boys would never have had to stare into a dark future of poverty and destitution for the remaining few years of their lives.

The effect of an affirmative vote on the amended economy bill was stated on the floor of the House just before the vote was taken, when Congressman McCORMACK, of Massachusetts, inquired:

Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McCORMACK. As I understand it, the question before the House is not the passage of the bill but the acceptance or rejection of the amendments of the Senate to the bill.

The SPEAKER. The gentleman is correct.

Then Congressman CONNERY, of Massachusetts, made a parliamentary inquiry which brought out the real effect of a vote for the amended economy bill:

Mr. CONNERY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CONNERY. But the effect of accepting the Senate amendments is that the bill becomes law.

The SPEAKER. The bill becomes law; yes, of course.

That was the effect of a vote for the economy bill as it came back amended from the Senate. The bill became a law. No Farmer-Labor Congressman voted for that amended bill. The Minnesota delegation voted as follows:

Yeas: Ray P. Chase (Republican), Theodore Christianson (Republican), Harold Knutson (Republican), Einar Hoidale (Democrat).

Nays: Henry Arens (Farmer-Labor), Magnus Johnson (Farmer-Labor), Ernest Lundeen (Farmer-Labor), Francis H. Shoemaker (Farmer-Labor).

Not voting: Paul John Kvale (Farmer-Labor), absent.

Congressman KVALE was absent because of a serious hospital operation and illness in his family.

The bill passed by a vote of 373 to 19.

SENATE ROLL CALL ON ECONOMY BILL AMENDMENTS

Several amendments were proposed in the Senate to the economy bill on March 13, 14, and 15, 1933, as it was received from the House. Each amendment was voted on separately in the Senate. On some of these amendments the yeas and nays were demanded. On those amendments which affected the veterans, and on which the yeas and nays were demanded, I present the votes of the Minnesota Senators.

On March 14 Senator HARRISON, of Mississippi, offered an amendment to liberalize title 1, section 17, dealing with yearly renewable term insurance, and providing that nothing in the Economy Act should interfere—

With payments hereafter to be made under contracts of yearly renewable term insurance where suit on such insurance has been instituted and trial had prior to the enactment of this act and judgment has heretofore been or hereafter is entered and has become or becomes a final judgment; * * *

The amendment also provided—

That no costs shall be taxed against any plaintiff whose right to continue his suit on yearly renewable term insurance is abrogated by this section.

This amendment provided that judgments already rendered should be paid and that those suits pending in court should be dismissed at the cost of the Government rather than the veteran.

On this amendment the Minnesota Senators voted as follows:

Schall, not voting (absent); Shipstead, not voting (absent).

Senator HARRISON's amendment was rejected by a vote of 56 to 18.

On March 15 Senator LA FOLLETTE, of Wisconsin, offered the following amendment:

The rate of pension or compensation of each person receiving pension or compensation after the date of enactment of this act is hereby reduced by 15 percent. When used in this section the term "compensation" shall include military and naval compensation for death or disability payable under the War Risk Insurance Act, as amended, the World War Veterans' Act, 1924, as amended, or any special act of Congress authorizing payment of such compensation, and the annuities authorized by the acts approved May 23, 1908, February 28, 1929, as amended, and January 31, 1931. When used in this section the term "pension" shall include any amount payable to any person by virtue of being placed on the pension rolls of the Veterans' Administration pursuant to any act of Congress.

Mr. LA FOLLETTE explained his amendment in these words:

It seeks to preserve the present structure of veterans' legislation, but, at the same time, to provide a substantial saving in the amount of money being paid to those veterans. * * * It is a sincere and logical attempt during such an emergency period to save the legislative structure which has been built up during and since the war.

On this amendment the Minnesota Senators voted as follows:

Schall, not voting (absent); Shipstead not voting (absent).

Senator LA FOLLETTE's amendment was rejected by a vote of 16 to 62.

Senator CONNALLY, of Texas, offered an amendment on March 15:

Notwithstanding any of the provisions contained in this title, in no event shall World War service-connected disability compensation of any veteran or the pension of any veteran of a war prior to the World War be reduced more than 25 percent of the amount thereof according to existing rates and subject to any rating of disability under this act.

This amendment left the power in the hands of the President to rerate veterans' cases; but, as Mr. CONNALLY stated, the amendment was—

Simply a limitation, providing that when the President has once determined that a case is service-connected and the soldier's claim has been rerated and the proof is that he has a watertight case, then he shall not be reduced over 25 percent.

On this amendment the Minnesota Senators voted as follows:

Schall, not voting (absent); Shipstead, not voting (absent).

The amendment was rejected by a vote of 28 to 45.

SENATE ROLL CALL ON FINAL PASSAGE OF AMENDED BILL

On the final vote—for or against the economy bill, which finally was signed by the President—the Minnesota Senators voted as follows:

Schall, not voting (absent); Shipstead, not voting (absent).

The bill was passed by a vote of 62 to 13.

PRESIDENTIAL ORDERS OF JUNE 6, 1933

The Veterans' Bureau estimates that under the President's regulations of June 6, 1933, \$32,972,000 more would be paid to veterans of the World War than provided for under the Economy Act, and \$17,028,000 more would be paid to veterans of all other wars. This would make the total increase \$50,000,000.

A new rating schedule was set up which provided for \$90 for total service-connected disability for veterans of the World War or Spanish War, including the Boxer rebellion and the Philippine insurrection. There are 10 different ratings, instead of 5, as set up in the first regulations, and these schedules range from \$9 to \$90, instead of from \$3 to \$80, as under the first regulations. The pension for non-service-connected permanently and totally disabled veterans of either war is increased from \$20 per month to \$30 per month. No change is made in the regulations affecting Civil War veterans. These veterans took a straight 10-percent cut under the Economy Act, and further legislation passed did not change that provision.

INDEPENDENT OFFICES APPROPRIATION BILL

The House roll call on the original independent offices appropriation bill was taken on May 12, 1933. This is the bill which proposed to cut the appropriations of the Veterans' Administration approximately in half, taking approximately \$460,000,000 away from the veterans.

On this roll call the vote of the Minnesota delegation was as follows:

Yeas: Theodore Christianson (Republican).

Nays: Henry Arens (Farmer-Labor), Magnus Johnson (Farmer-Labor), Paul J. Kvale (Farmer-Labor), Ernest Lundeen (Farmer-Labor), Ray P. Chase (Republican), Harold Knutson (Republican).

Not voting: Einar Hoidale (Democrat) (paired for the bill), Francis H. Shoemaker.

The bill was passed by a vote of 250 to 117.

When the bill went to the Senate, the Connally amendment was attached, providing:

Notwithstanding any of the provisions of the act approved March 20, 1933, entitled "An act to maintain the credit of the United States Government", in no event shall World War service-connected disability compensation of any veteran, or the pension of any veteran of a war prior to the World War, or the pension of any widow and/or dependents of such veterans, be reduced more than 25 percent of the rate being received prior to March 15, 1933.

The Veterans' Administration estimates that under this amendment approximately \$153,000,000 would have been turned back to the veterans from the \$460,000,000 cut contemplated by the original Economy Act. Many of the veterans' friends in the Senate voted against this amendment, because they wanted to substitute in its place an amendment which would have called for a 15-percent cut instead of 25 percent.

On the Connally amendment the Minnesota Senators voted on June 2 as follows:

Schall, nay; Shipstead, nay.

The amendment passed by a vote of 43 to 42, the Vice President casting the deciding vote.

CONNALLY AMENDMENT IN THE HOUSE

In place of the Connally amendment the House substituted a "compromise amendment", by which the Connally amendment was stricken out and in its place inserted a provision whereby the President was authorized to establish special boards for the purpose of reviewing the presumptive cases of World War veterans to determine whether or not such cases might be considered to be service connected.

The amendment stated that, except for "fraud, mistake, or misrepresentation", 75 percent of the payments being made before the Economy Act was passed were to continue until October 31, 1933, or the date of a special decision on the case, whichever is the earlier date. The rates of compensation for directly service-connected cases were not to be reduced more than 25 percent. But no provision of this kind was made for the Spanish War men. Instead, Congressman CROSSER, chairman of the special Democratic House committee which called on the President on May 29, received a letter from the President, which Mr. CROSSER presented to the House on June 10:

MY DEAR MR. CHAIRMAN: I am enclosing herewith the language which I suggest be substituted for the language of the so-called "Connally amendment."

It is not necessary that there be included in this amendment language dealing with the Spanish-American War veterans who are 55 years of age or more. I have the authority under the provisions of the "act to maintain the credit of the United States Government" to issue regulations for their benefit.

I give you the assurance that if the Congress sees fit to substitute the language attached hereto in lieu of the Connally amendment I will issue a regulation which will give some assistance to the Spanish-American War veterans who are 55 years of age or more.

Because of the peculiar conditions surrounding the Spanish-American War and Spanish-American War veterans, I want to emphasize that the assurance given in this letter and the action which I shall take pursuant thereto must not be considered as a precedent of other wars.

P. S.—It will be necessary to add to the language herewith enclosed provisions exempting the members of the board from the provisions of the Civil Service and Classification Acts.

The Veterans' Bureau estimated that the House compromise amendment would have paid \$51,404,000 more to the veterans of the World War than would be paid under the original Economy Act and that \$21,596,000 more would be paid to veterans of all other wars. The original House compromise plan would also have added \$17,000,000 to the appropriations for administration and hospitalization. The total additional cost over the Economy Act would have been \$90,000,000, according to the figures of the Veterans' Administration.

On this compromise amendment the votes of the Minnesota Representatives were as follows:

Yeas: Einar Hoidale (Democrat).

Nays: Henry Arens (Farmer-Labor), Magnus Johnson (Farmer-Labor), Paul J. Kvale (Farmer-Labor), Ernest Lundeen (Farmer-Labor), Francis H. Shoemaker (Farmer-Labor), Ray P. Chase (Republican), Theodore Christianson (Republican), Harold Knutson (Republican).

The bill with this compromise amendment passed the House by a vote of 243 to 154.

STEIWER-CUTTING AMENDMENT

When the conference report on the independent offices appropriation bill was taken up in the Senate on June 14, the Senate adopted the Steiwer-Cutting amendment, which was substituted for the House compromise amendment. Rather than stating that the "rates of compensation" for directly service-connected cases shall not be reduced more than 25 percent, as did the House compromise amendment, the Steiwer-Cutting amendment stated:

In no event shall the compensation being paid . . . be reduced more than 25 percent.

The Steiwer-Cutting amendment also protected the presumptive cases by making it more binding upon the Administration to resolve all benefits of doubt in favor of the veterans. It also protected Spanish-American War veterans by providing that in no case were the pensions being paid to the veterans of any war prior to the World War to be reduced more than 25 percent.

The Veterans' Administration estimated that the Steiwer-Cutting amendment would have given \$148,000,000 to the veterans over the amount originally estimated by the Administration under the provisions of the Economy Act. This Steiwer-Cutting amendment would give to the veterans \$58,000,000 more than they would have received under the original House compromise plan, according to the estimates of the Veterans' Administration.

SENATE ROLL CALL

On this amendment the Minnesota Senators voted as follows:

Shipstead, yea; Schall, yea.

The amendment passed by a vote of 51 to 39.

The next day, June 15, the Steiwer-Cutting amendment was to be taken up in the House. The House met at 10 a.m. Immediately the House recessed for the purpose of holding a Democratic caucus. At 2 p.m. the House was called back and the Steiwer-Cutting amendment was voted upon with no opportunity for debate. The vote of the Minnesota Congressmen on this amendment was:

Yeas: Henry Arens (Farmer-Labor), Magnus Johnson (Farmer-Labor), Paul J. Kvale (Farmer-Labor), Ernest Lundeen (Farmer-Labor), Francis H. Shoemaker (Farmer-Labor), Theodore Christianson (Republican), Harold Knutson (Republican).

Nay: Einar Hoidale.

Not voting: Ray P. Chase (Republican). (Mr. Chase was paired for the amendment.)

The amendment was defeated by a vote of 209 to 177.

THE FINAL VOTE

After the defeat of the Steiwer-Cutting amendment by the House the bill went to conference, and the conference committee reported back a measure approximately the same as the so-called "compromise amendment" adopted by the House when the House voted down the Connally amendment. The only important difference was that in the final compromise plan was included a provision which stated:

Notwithstanding any of the provisions of Public Law No. 2, Seventy-third Congress, any veteran of the Spanish-American War, including the Boxer rebellion and the Philippine insurrection, who served 90 days or more, was honorably discharged from the service, is 55 years of age or over, is 50 percent disabled, and in need as defined by the President, shall be paid a pension of not less than \$15 a month.

PRESENT STATUS OF CIVIL WAR VETERANS

The pensions of Civil War veterans were reduced 10 percent by the Economy Act, and no change in that cut has been made.

PRESENT STATUS OF SPANISH WAR VETERANS

Spanish War veterans who are over 55 and are 50-percent disabled can be sure of receiving a pension of \$15 a month—if they qualify under a pauper clause. That is the protection offered the Spanish War veterans by the independent offices appropriation bill. They may still be dropped from the rolls on July 1 if the Veterans' Administration, after reviewing their cases, decides that their disabilities are not service connected, and those who are kept on the rolls under the provision just quoted must comply with the "pauper clause"—be 50-percent disabled and over 55 years of age.

PRESENT STATUS OF WORLD WAR VETERANS

Presumptive cases

The President is authorized to establish special boards to review the cases of World War veterans who entered the service prior to November 11, 1918, and whose disabilities are not the result of their own misconduct, in which presumptive service connection had been granted and payments were being made on March 20, 1933, under the World War Veterans' Act as amended, but in which service connection was not granted by the regulations issued under the Economy Act. Service connection is to be granted if on all available evidence the board determines that a chronic disease became manifest to a degree of 10 percent or more within 1 year after discharge from active service.

Veterans whose cases are to be reviewed in accordance with this provision will be kept on the rolls at a 25-percent

reduction from the amount of compensation they were receiving prior to the passage of the Economy Act, except in cases of "fraud, mistake, or misrepresentation", until the case is reviewed or until October 31, 1933, whichever is the earlier date.

In interpreting the word "mistake", Senator CUTTING, speaking before the Senate Saturday night, June 15, stated:

Anyone who read that section casually would think that those cases would be kept on the rolls unless the board decided that they ought to be removed, and that if the board decided they should stay on they would continue to receive 75 percent of what they are receiving at the present time, but anyone who studies the language and notes the word "mistake" will realize that the Veterans' Administration would be authorized, by virtue of that word, to call up for review any case whatever, on the plea that the doctors who had originally passed on the case had made a mistake * * * It would allow the veterans to be called in by the Veterans' Bureau time and time again; it would allow any board to pass on the medical judgment of men who had made the review at first hand; it would allow them to turn those cases off the rolls altogether.

Directly service-connected cases

The Independent Offices Act provides that "the rates of compensation" payable for directly service-connected disabilities to those veterans who entered the active service prior to November 11, 1918, and whose disabilities are not the result of their own misconduct shall not be reduced more than 25 percent. Senator CUTTING explained this provision in his speech of June 15 by saying that although the rates of compensation could not be reduced more than 25 percent, the cases could be rerated and given lower ratings and the compensation cut in that way.

Therefore—

Said Senator CUTTING—

there is nothing in the House language that places any substantial restriction upon the Veterans' Administration in making drastic cuts in compensation. If we agree to the House language, the Veterans' Administration can proceed in the next 3 months, as they have in the last 3 months, to make such cuts as they wish.

SENATE ROLL CALL

On this final compromise plan, the votes of the Minnesota Senators were as follows:

Schall, nay; Shipstead, nay.

The bill passed by a vote of 45 to 36.

Immediately the measure was brought before the House. The previous question was ordered by the Democratic floor leader, and the vote taken without roll call. The Speaker announced, "The ayes seem to have it", and the bill was passed, appropriating \$602,838,000 for the Veterans' Administration, an increase of \$96,000,000 over the original estimates under the Economy Act, according to the estimates of the Veterans' Administration, but still over \$345,000,000 less than the appropriations made for the Veterans' Administration last year.

Here we have the maximum measure of justice which the first session of the Seventy-third Congress saw fit to give the veterans of America. It is my firm conviction that repeal of the Economy Act should be the aim of every Congressman and Senator who believes himself to be the friend of the veterans—repeal, nothing short of that and nothing less than that. My bill for repeal of the Economy Act was introduced May 2, 1933. I filed a petition to call that bill before the House. It was placed on the Speaker's desk June 13, 1933. It will be on the Speaker's desk the opening day of the next session of Congress. Senator SCHALL introduced a companion bill to this repeal bill on May 29, 1933.

The rumors that we are paying too much money to our veterans are nothing but the results of effective propaganda on the part of the Economy League, which, according to Senator LONG's speech made on the floor of the Senate on June 14, 1933, raised \$35,100 for propaganda.

RATES OF COMPENSATION PAID UNDER UNITED STATES EMPLOYEES' COMPENSATION ACT

In many cases we are paying less to the war-scarred veterans of this country than we pay to the civil employees of the United States Government who have been disabled in the employment of the United States. This is shown by some very interesting figures set forth in a speech of Hon.

EDITH NOURSE ROGERS in the House of Representatives on Wednesday, May 10, 1933. These figures bring out the following facts:

We recognize that this Government is responsible for the care of its disabled employees who serve their Government at their own free will and receive wages for their work.

At the time of injury, Mrs. ROGERS of Massachusetts pointed out, if a Government employee is totally disabled, 66⅔ percent of his monthly pay is turned over to him as compensation, subject to a maximum compensation rate of \$116.66 per month and a minimum rate of \$58.33, in which case the injured person is entitled to compensation at the same rate as the regular monthly pay received when working. For partial disability 66⅔ percent of the loss in wage-earning capacity due to the disability is paid, providing the amount paid is not more than \$116.66 per month.

Burial expenses not exceeding \$200 are allowed. Compare this with the \$75 allowed to veterans. And compare the rates of disability compensation allowed to Government employees with the \$9 to \$90 ratings established under the most recent Executive order for direct service-connected disabled veterans, the men who were sent to Europe to fight a war on foreign ground—under a law of conscription which violated the Constitution of this Government. (See speech of Daniel Webster, War of 1812-14.)

THE SHAME OF JULY 28, 1932

It is time that we make this country safe for the defenders of the flag. In recent years it has not even been safe for veterans to come to Washington and petition those in power for justice. The graves of Hushka and Carlson have become symbols to the veterans of their growing resentment against the Government which drafted them into war. The veterans who came to Washington in May of this year to present their grievances to the Government paused at the graves of Hushka and Carlson, their comrades who were killed in the battle between veterans and District police when the veterans were driven from their camp at Anacostia with fire and gas.

VETERANS' CONVENTION OF 1933

This year these men were advised not to bring their grievances to Washington. When this warning went out advising the veterans to stay away I welcomed them to Washington, and I will do so again. When men have grievances against those in power where shall they turn if not to Uncle Sam? These men came to Washington not with hostility in their hearts but with genuine grievances. They came to assemble together with their comrades from every State in the Union and from Alaska and the Philippines to petition their Congress and their President for redress of wrongs. They came to exercise the constitutional right of peaceful assemblage, and they were advised to stay away. I said then, and I say again, that the officials in Washington can learn more about conditions throughout the country today by listening to the men who are on the verge of destitution every day than they can from private caucuses behind closed doors.

On April 27, 1933, I filed a petition calling the adjustment service certificate bill, H.R. 1, before the House and discharging the Committee on Ways and Means from further consideration of this bill. During this session of Congress 50 Congressmen have signed that petition. It will remain here and be placed on the Speaker's desk again when the next session of the Seventy-third Congress opens, and all Congressmen who want this Government to keep its pledge with the veterans and pay them their bonus in cash will have an opportunity to sign that petition.

CAMP "CINDER LOT"

Before the present administration decided to reverse the policy of the Hoover administration toward the veterans who came to Washington hundreds of men pitched camp across the street from the old House Office Building, on "cinder lot." I had the pleasure of visiting the men there at 1 o'clock one morning. It was the night before they broke camp. There was no noisy demonstration. In fact, if I had not known the men were there I would never have noticed them. But as I walked onto the lot I stumbled against one of them, sleeping. I was amazed at the spectacle they

presented—hundreds of soldiers, not so many years ago the glory and pride of the Nation, sleeping there on an empty cinder lot, unwelcome guests at the Nation's Capital.

Protection from the damp air and ground was necessary. The well-to-do veteran had two newspapers for blankets; one he placed on the ground and the other he used for a cover. The "commoner" had only one newspaper and used it to protect himself from the wet grass. Small campfires were burning and meager rations were being served to some of the men.

ONE ADMINISTRATION LEARNS FROM THE MISTAKES OF ANOTHER

The veterans had decided to come to Washington and exercise their right to assemble and present their grievances, whether they were advised to stay away or not. The fate of the Hoover administration was fresh in everyone's mind, and the present administration decided to reverse the policy of its predecessor. A camp was set up at Fort Hunt, Va. Free transportation was provided by Government busses running from Fort Hunt to Washington. Clean, comfortable quarters were provided to accommodate 10,000 men. There were 3,300 in all registered at the camp. There were orderly rows of tents, equipped with cots and blankets. A huge camp kitchen was set up, with a tennis court for a floor. Good, clean food was served, cooked on 40 field ranges in double rows. A large tent was provided in which the men held their meetings.

The right of peaceful assemblage and petition was recognized. The men were given temporary food, clothing, and shelter, but no adjusted compensation and no satisfactory answer of any kind to their petitions. Instead the majority of them were induced to enlist in the Emergency Conservation Corps at a dollar a day. This offer they accepted because they had no other means of obtaining the necessities of life.

THE GRIEVANCES OF THE VETERANS

The veterans who assembled in Washington in 1933 did more than clamor for bonus checks. These men feel that this Government has no right to place upon them the burden of maintaining the credit of the United States Government. They were willing to sacrifice their lives in time of need, but they are not willing to pay twice for a war which they know now was brought on by the very selfish interests who now seek to cut their pensions and compensations down to nothing. They know now that it was a commercial war. They know there is plenty of money in this country, and they want at least a portion of their share. Their loyalty has been proved. The policy of this Government, in refusing to pay the bonus and in ruthlessly slashing pensions and compensations, has made these millions of veterans restless. There is a growing feeling of resentment and suspicion arising among them. Militant groups of veterans have declared that they would never again vote for a Republican, and now they declare the Democrats are worse. The previous administration refused to give them their bonus, but it took nothing from them which they already had. The resentment expressed by the veterans in Washington this year is growing. It cannot be suppressed by new administrative regulations easing somewhat the hardships imposed by the Economy Act. It is growing and it will continue to grow.

THE FINAL PLEA

The veterans of America are making their final plea to this administration and to the Members of this Congress. If that plea is not heard, these veterans will not sit back and wait for the liberalization of Executive regulations. They have fought before, and they will fight again—not to make the world safe for democracy this time but to make America safe for the veterans, the farmers, the workers. These men know that the time has arrived for them to organize in powerful groups throughout the country. Gentlemen of this House do not realize that powerful organizations are springing up in this country to take the reins of Government from the two major parties. I have communicated with strong organizations of veterans, workers, and farmers throughout the country who are uniting and organizing, who realize that their battle is against a common foe—the mighty Money Trust—and who are going to demand

economic and political justice before many more months have passed.

DEMANDS OF THE VETERANS

The veterans assembled here are presenting three demands. They are organizing to put those demands into effect.

First. Immediate cash payment of the adjusted compensation, or bonus.

Second. Repeal of the Economy Act.

Third. Immediate and real relief for the farmers and workers of America.

When these men returned from France they were left to shift for themselves. They could no longer be used for the protection of American capital abroad. Now the selfish interests who are responsible for this panic want to escape the day of reckoning which they have brought upon themselves. But they cannot escape it. These same interests who plunged us into the World War are now shouting economy. Taxes must be lowered! The Budget must be balanced! There was a time when they forgot about balancing the Budget. When they passed a law of conscription and sent these men abroad into a futile war to end war there was no thought then of balancing the Budget. We had to make the world safe for democracy. This is a war on want. This is no time to balance the Budget. It cannot be done with millions upon millions hungry—they and their families out of work. These millions have a Divine right to live. It is time to conscript the wealth of this Nation and make America safe for all her people, by no means forgetting our service men of all wars.

TOMMY

Rudyard Kipling

I went into a public-house to get a pint o' beer,
The publican 'e up an' sez, "We serve no red-coats here."
The girls be'ind the bar they laughed an' giggled fit to die,
I outs into the street again an' to myself sez I:

O it's Tommy this, an' Tommy that, an' "Tommy, go away";
But it's "Thank you, Mister Atkins", when the band begins
to play—
The band begins to play, my boys, the band begins to play,
O it's "Thank you, Mister Atkins", when the band begins
to play.

I went into a theater as sober as could be,
They gave a drunk civilian room, but 'adn't none for me;
They sent me to the gallery or round the music-halls,
But when it comes to fightin', Lord! they'll shove me in the stalls!

For it's Tommy this, an' Tommy that, an' "Tommy, wait
outside";
But it's "Special train for Atkins" when the trooper's on
the tide—
The troopship's on the tide, my boys, the troopship's on the
tide,
O it's "Special train for Atkins" when the trooper's on
the tide.

Yes, makin' mock o' uniforms that guard you while you sleep
Is cheaper than them uniforms, an' they're starvation cheap;
An' hustlin' drunken sodgers when they're goin' large a bit
Is five times better business than paradin' in full kit.

Then it's Tommy this, an' Tommy that, an' "Tommy, 'ow's
yer soul?"

But it's "Thin red line of 'eroes" when the drums begin to
roll—

The drums begin to roll, my boys, the drums begin to roll,
O it's "Thin red line of 'eroes" when the drums begin to roll.

We aren't no thin red 'eroes, nor we aren't no blackguards too,
But single men in barracks, most remarkable like you;
An' if sometimes our conduct isn't all your fancy paints,
Why, single men in barracks don't grow into plaster saints.

While it's Tommy this, an' Tommy that, an' "Tommy, fall
be'ind",

But it's "Please to walk in front, sir", when there's trouble
in the wind—

There's trouble in the wind, my boys, there's trouble in the
wind,

O it's "Please to walk in front, sir", when there's trouble in
the wind.

You talk o' better food for us, an' schools, an' fires, an' all:
We'll wait for extry rations if you treat us rational.
Don't mess about the cook-room slops, but prove it to our face
The widow's uniform is not the soldier-man's disgrace.

For it's Tommy this, an' Tommy that, an' "Chuck him out,
the brute!"

But it's "Saviour of 'is country" when the guns begin to
shoot;

An' it's Tommy this, an' Tommy that, an' anything you please;
An' Tommy ain't a bloomin' fool—you bet that Tommy sees!

Mr. JENKINS. Mr. Speaker, ladies and gentlemen of the House, under leave to extend my remarks I wish to discuss the latest legislative developments with reference to the veterans' legislation. I have already on divers occasions discussed orally from the floor this very important question. On May 10 I made what I think was the first speech made in the House calling the attention of the country to the failure of the President and his assistants to administer properly the economy law. Again on June 10, from the floor of the House, while supporting the Connally amendment, I spoke with all the earnestness of my nature against the arbitrary invasion of the rights of Spanish-American War and World War veterans by the President and his assistants.

The day after I made my first speech the President gave out a statement that he would liberalize the regulations under which he was threatening financial ruin to most of the veterans. I do not wish to give the impression that the President issued this statement because of my speech, but rather to show that while I was sensing the feeling of the veterans and the country on this subject the President and his advisers were not far behind me; and in order to anticipate these complaints he, pretended to grant them a favor which was in fact a mere gesture. The passage of the Economy Act was secured under most unusual times. I do not think that our country was ever in such a crisis as it was at that time except possibly when Abraham Lincoln took over the reins of government. The President requested economy and promised justice. He desired that all recipients of Government money reduce the amount they were receiving. This included Congressmen as well as veterans. The bill including these reductions was passed in accordance with his wishes. The President was given power to reduce the veterans' compensation, but the salary of the Government officials and employees was reduced by the law to a certain percentage. The President urged that he be granted this authority. Most Congressmen felt that at that time it might be best to give the President the power that he requested. No one felt that he would abuse this power. No one felt that he would immediately issue regulations that would affront the sense of justice and incite the indignation of any reasonable person. The President's forces crowded the bill through the House without even permitting time for the Membership to read it. Mr. BROWNING, seeking harmony, sought permission to amend it so that all veterans on the rolls would be reduced by 25 percent. I, with others, signified a willingness to assist in the passage of this amendment, but we were denied even a consideration. Our only remedy, then, lay in a motion to recommit the bill back to the committee. Ninety of us stood up in support of this motion, which was lost before the strong phalanx of Democratic votes, the House having a Democratic majority of nearly 3 to 1. If this motion to recommit had passed, this vexatious condition would not now be upon so many of these veterans. The bill was messaged over to the Senate immediately and was considered with some deliberation there, and an amendment suggested by Senator DILL was permitted. The amendment provided as follows:

Provided, That nothing contained in this title shall deny a pension to a Spanish-American War veteran past the age of 62 years entitled to a pension under existing law, but the President may reduce the rate of pension as he may deem proper.

The bill further provided a minimum pension of \$6. No reasonable person with a desire to do justice would maintain that Congress meant that the pension to be allowed these elderly veterans should be the lowest rate that could possibly be allowed. Yet this was the amount allowed by the President in his regulations. When the President and his advisers were urging the enactment of this law and were promising to deal justly, subsequent events raised a doubt as to whether they were sincere in their motives. Their plan was not disclosed then, but it has been unmasked many times since then, and I propose to prove that they were not sincere. While I doubted the necessity of all this hurry, still I thought the President and his advisers were sincere. But when the President held that under the Dill amendment it

was doing justice to the veterans over 62 years of age to cut them from \$60 and \$72 down to \$6, then I knew we had been imposed upon. Then when the President, under the most severe pressure from veterans' organizations, agreed to regulation 12, which by fair interpretation carried much relief to the Spanish War veterans, and then permitted it to be nullified completely in administration, I knew that the President had a deep-seated purpose to cut the veterans' allowances far beyond his declared intention to "deal justly." Wrong and injustice will not prevail. They will not bring real economy. Any program that brings anguish and tears is not as economical as one that brings justice and contentment. Sensing the revulsion of sentiment that was bound to come from this unwarranted injustice to this great group of our citizens, I made bold to sound the alarm in my speech of May 10. The whip of the President cracking over the backs of the Democratic Members of the House and the Senate may drown the clamor of these veterans crying out for the justice they have a right to expect, but this will not be for long. The worm will turn. Justice will prevail. Right will be enthroned.

Truth forever on the scaffold, wrong forever on the throne.—
Yet that scaffold sways the future, and, behind the dim unknown,
Standeth God within the shadows, keeping watch above His own.

The President apparently had regard only to the amount that would be slashed and not to the distress occasioned by the slashes. He did not yield one material point until many Congressmen followed my lead in attacking his unmerciful course. Then he yielded begrudgingly, claiming that before he would yield the Congress would have to find some additional taxes to keep the Budget in balance. He and his advisers were hardly sincere when they made these statements, for under pressure they retreated and made material concessions amounting to about \$100,000,000 and did not secure any additional tax legislation. They were determined to heed the behest of the Economy League, which wished to cut the veterans \$460,000,000 and thereby save the Economy League and others of this class from paying income taxes in that amount.

I have no patience with the "claptrap" statements put out by those who seek to apologize for the President by saying that he surely did not know of the cruelties enacted by Lewis Douglas, the Director of the Budget, and General Hines, the Director of Veterans' Affairs. I have no argument in defense of those gentlemen, but I know that it is not in line with the truth to heap the blame upon them and relieve the President of all responsibility. No doubt the President was advised privately by practically every leading Democrat in the House and the Senate of these injustices and fought back any suggestion of change of the unjust regulations. A Senator in an address before the Senate represented that he had consulted with the President about this matter fully and that the President had authorized him to carry a message to the Senate setting out his position. This message was pitiful in its childishness and showed that the President did not know much about the subject, but showed further that he was abundantly satisfied with his knowledge and if there were any injustices in his regulations he was not admitting them and was not open to advice on the subject. He took the attitude of one capable of giving advice and not of one who was ready to receive advice.

When the contest grew hot and when the pressure got strong the President—not Douglas and Hines—issued a regulation raising the total amount to be paid totally disabled non-service-connected veterans from \$20 to \$30 per month. This was done after the famous promise not to raise pensions without raising taxes and that he "would fight it out all summer" before doing so. He did so and did so without securing any additional taxes and before the summer was over. As the fight grew hotter and hotter he gradually retreated. When the Senate passed the Connally amendment carrying a 25-percent reduction in all pensions it did so in order to keep the Senate from passing an amendment carrying a 15-percent cut. The vote was a tie and the tie was broken by Vice President Garner voting with those who were willing to vote for a 25-percent cut in order to pre-

vent an equal number of Senators from passing a bill providing for only a 15-percent cut. Had the Connally amendment been voted upon promptly by the House it would have carried overwhelmingly, but the Democratic caucus appointed a committee which made many pilgrimages to the White House to persuade this "kind-hearted" gentleman to withdraw his regulations and permit more just regulations to be promulgated. No one who has heard the reports by those who attended these numerous conferences can conclude but that the President is the one who issued the regulations and that it was the duty of Douglas and Hines to put into printed regulation what the President ordered. The President ordered and Douglas and Hines carried out the orders. It must have been most humiliating for the members of this committee to pedal back and forth between the President and the Democratic Membership of the House in an effort to get the President to permit them to do what their consciences told them was right. Douglas and Hines did not crack the whip. The whip was wielded by the whipmaster himself, with the result that the Connally amendment was defeated by a few votes and another amendment substituted.

If that committee had been wise enough to have changed the Connally amendment so that nobody could have had any credit for its passage but the President himself, it would have passed easily. When the plan passed by the House was returned to the Senate, it was rejected and the substance of the Connally amendment with other favorable amendments were included in what is now known as the "Steiner amendment." This amendment passed the Senate by a vote of 51 to 39 after one of the most brilliant debates in the history of the Senate. It was returned to the House amidst great excitement, and would have passed the House by an overwhelming vote, but the President's friends maneuvered an adjournment. The next day a caucus of Democrats was held and the lash was applied unmercifully. Many walked out rather than be humiliated, but many permitted their minds to be supplanted by the mind and will of the President. Many were the exhortations to stand by the Democratic Party and to save the President. Many stultified themselves in order to retain the graces of their leader. Justice and right went out of the window and expediency and patronage came in. The rights of the veterans were pawned for the smiles of the leader. The exchange permitted the "kind-hearted man" to continue to demand that before a Spanish War veteran 55 years of age could get a pension of \$10 per month he must swear to a pauper's oath. Mr. Speaker, the price of the exchange was entirely too high! But the worst is yet to come. After the House with its 200 new Members had been whipped into line by the President and its leaders, the bill was then sent to a conference made up of Republicans and Democrats from the Senate and House, a majority of which conferees were Democrats. This conference recommended that the House plan be accepted in preference to the Senate plan, although all of the veterans' organizations in the Nation were demanding the contrary. They were willing to take this 25-percent cut and even more. But the Democratic conferees willfully threw away a chance to benefit the veterans and preferred to accede to the dictates of the President.

After another long and brilliant debate in the Senate there is witnessed a sorry spectacle of personal perfidy. Senators who on Wednesday night, while listening only to the still small voice of conscience, voted for the Steiner amendment, on Thursday night at almost the same hour, in the same place and before the same audience, voted against identically the same thing that they had voted for only 24 hours previously. What caused the change? Was it the influence of Douglas and Hines? No! No! it was the influence of "the kind-hearted gentleman" who was demanding that in order for a Spanish War veteran with 50-percent disability to get a \$10 pension he must swear to a pauper's oath. My friends, let not yourselves be deceived; the President is demanding that the veterans accept a reduction far out of proportion

to their dues. Hundreds of thousands of veterans are put off the pension roll and onto the charity roll. Hundreds are put out of their hospital beds in order that boys from the reforestation camps may be put into them.

A great injustice has been done in the name of justice and under the direction of the President. Right will ultimately prevail over wrong. Justice will ultimately supplant injustice. But what will the wronged victim do while right is battling with wrong and justice is contending with injustice? What will the veteran do when his pension or compensation is cut off? I am afraid that none has accurately anticipated this. I did what I could to prevent this untoward situation. The Democratic Party and its leader brought this condition on, and the responsibility is theirs. Responsibility brought on by willfulness is heavier than responsibility that frequently comes in spite of one's best intentions. Let the veterans find hope in the fact that those who by pressure have restored to the pension appropriations many millions of dollars are yet anxious to continue the fight until adequate pensions are restored and until the bitterness and disappointments are again drawn from the veterans' hearts and until they again feel that our great Government will not turn its back on him who bore the brunt of the battle in the heat of the day.

Mr. HASTINGS. Mr. Speaker, the independent offices appropriation bill carries appropriations for the Executive offices and all independent bureaus, boards, commissions, and offices, including the Veterans' Administration, not under the supervision of a Cabinet officer, for the fiscal year ending June 30, 1934. The bill recommends an appropriation of \$631,802,546.

It is not my purpose to discuss any of the items of the bill other than those for the Veterans' Administration.

The report submitted shows in detail the amount recommended for each governmental activity, and the hearings explain in detail the purpose for which the amounts are to be expended by the several independent boards, offices, or commissions.

I want to discuss not only the appropriation recommended for the Veterans' Administration, which, as finally reported in the bill, aggregates \$631,802,546, including the amount of \$8,000,000 added for the expense of retaining regional offices in the field.

The committee allowed all the revised estimates of the Bureau of the Budget for the Veterans' Administration, and in addition added \$8,000,000 referred to above for the regional offices.

There has been so much discussion throughout the country with reference to appropriations in behalf of the ex-service men that I want to explain briefly the reduction in the appropriation, how and why it was made, and my attitude toward legislation affecting the ex-service men of the country.

When the new administration assumed control on March 4, 1933, financial chaos was impending. Every financial institution was threatened. Business was paralyzed. Approximately 15,000,000 men and women were out of employment. Many thousands, if not millions, were being fed through private and public charity. A moratorium was proclaimed, and every bank in the country, both large and small, was temporarily closed. No one could safely predict what a day would bring forth. Strong men and women talked in whispers. Every business structure was insecure. Conditions were so extremely critical that Congress was immediately convened in extra session March 9, 1933. The eyes of the Nation were directed to the President. He had been elected by a tremendous majority. He received 472 electoral votes as against 59 for Mr. Hoover, and carried 42 of the 48 States. He received a total popular vote of 22,821,857 to 15,761,841 for Mr. Hoover. In Oklahoma he received 516,468 votes to 188,165 for Mr. Hoover.

President Roosevelt, in his first message to Congress dated March 10, 1933, emphasized the necessity of reducing Government expenditures and the balancing of the Budget as the

first step toward economic recovery, and called attention to the fact that—

For 3 long years the Federal Government has been on the road toward bankruptcy.

For the fiscal year 1931 the deficit was \$462,000,000.

For the fiscal year 1932 it was \$2,472,000,000.

For the fiscal year 1933 it will probably exceed \$1,200,000,000.

For the fiscal year 1934, based on the appropriation bills passed by the last Congress and the estimated revenues, the deficit will probably exceed \$1,000,000,000 unless immediate action is taken.

Thus we shall have piled up an accumulated deficit of \$5,000,000,000.

The President urged the very greatest necessity for economy. He stated:

We must move with a direct and resolute purpose now. The Members of the Congress and I are pledged to immediate economy.

The President further stated:

Provision for additional saving is essential, and therefore I am asking the Congress today for new legislation laying down broad principles for the granting of pensions and other veteran benefits, and giving to the Executive the authority to prescribe the administrative details.

Concluding the message, the President stated:

When a great danger threatens our basic security it is my duty to advise the Congress of the way to preserve it. In so doing I must be fair not only to the few but to the many. It is in this spirit that I appeal to you. If the Congress chooses to vest me with this responsibility, it will be exercised in a spirit of justice to all, of sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States.

As a result of this appeal through the special message of March 10, 1933, the so-called "Economy Act" was enacted by Congress.

In discussing the proposed legislation Mr. McDUFFIE, of Alabama, chairman of the committee reporting the bill, said:

This bill, if enacted, will not be an act on your part to take a dime from a single worthy ex-service man. You are simply placing the responsibility on a great man who is willing to assume it. Your vote for this bill simply shows your willingness and your desire to cooperate with him, believing, as I know you believe, that he meant what he said in his message when he said:

"If the Congress chooses to vest me with this responsibility, it will be exercised in a spirit of justice to all, of sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States."

It is true this bill grants a great deal of power, but this country is in a state of war—not against a foreign enemy but war against economic evils that demand some sacrifice on your part and mine. The time has come when each of us must sacrifice personal opinions and our own ideas for the common good.

In closing the argument for the bill Majority Leader BYRNS, of Tennessee, made the following statement:

Mr. Speaker, ladies and gentlemen of the House, I have complete confidence in the absolute fairness of the President of the United States and am certain that he will not do any injustice to any class of citizens in this country.

The people by an overwhelming vote have vested the power of leadership in him. I want to appeal to my Democratic friends upon this side of the Chamber particularly and ask them: Are you going to deny to him today the power to discharge the solemn responsibilities which he has assumed and which he holds direct from the people? Are you going to tie his hands in the services he is attempting to perform for the people of this country?

We are facing a serious situation, as the gentleman from New York and others have said, a situation more serious, more critical than even existed in war times.

The people are looking to the President to restore confidence and to bring about a return of normal conditions. It would be unfair to him, it would be unfair to the people whom he is attempting to serve, if we today should deny to him the power that he asks to discharge this great responsibility.

Do not mistake it. This is his bill. It has come from his hand. It is an administration measure. When you vote against it you are voting to handicap the President of the United States in his effort to give the people relief. [Applause.]

We are told that the deficit which will occur in June will amount to over \$1,200,000,000, and next year, in 1934, it will be over a billion dollars, making over \$5,000,000,000 indebtedness that will occur during the period of 4 years.

My friends, something must be done to relieve your Treasury and to preserve the credit of the Nation. You can only do it by reducing the expenditures of this Government—something that President Roosevelt is seeking to do in this bill.

I hope that my Democratic friends upon this side of the aisle who were elected upon the same ticket with him, and who hold allegiance to the same party to which he belongs and of which he

is leader, will not be less loyal to the President today than these gentlemen on the left side of the Chamber who have spoken in behalf of this bill. [Applause.]

I appeal to you in this great emergency to forget any differences you may have, any small or serious objection that you may have to this bill, and subordinate all in your effort to give the President this authority which he asks.

There are features of the bill to which I do not give my whole accord; but, my friends, in this great national emergency I am willing to surrender any differences that I may have, and will do so as quickly as I would if we were actually in a state of warfare. [Applause.]

This is not a time to look for defects. It is a time to get behind our great leader and to follow him and be guided by his judgment, rather than our own, in this critical period. The people are looking to him as their hope for relief, and they are not going to look with favor upon any action which will not uphold his hands. What will the country say if it shall go out to the country that the Congress of the United States is not standing behind the President in his effort? What will they say if it be said that this Congress has failed to give him the support that he has asked? Let us pass this bill by an overwhelming vote. [Applause.]

During the World War I voted for all legislation, much of it drastic, recommended as necessary to win the war, to care for the soldiers, and to bring back our flag in triumph. In this critical emergency when we have an economic war and are fighting a depression world-wide, I feel constrained to give President Roosevelt powers equal to those given President Wilson during the World War.

The bill, as had been requested by the President and prepared under his direction, gave him the authority to prescribe rules and regulations covering pensions and benefits to soldiers and their dependents, to reduce salaries of all Government officials and employees, and to abolish, transfer, or consolidate by Executive order bureaus, commissions, or other Government agencies. Congress gave the President the authority requested to meet the emergency.

The bill is divided into three titles. I shall first briefly examine titles II and III, because I want to discuss title I more at length.

Title II relates to all Government officials and employees, and provides that the President, under certain limitations, may fix their compensation. The salaries of Members of Congress and the allowance for their clerical assistance are reduced by 15 percent. In other words, the salaries of Members of Congress are reduced by \$1,500 per year. The several States, counties, and municipalities, in the interest of economy, have in turn reduced the salaries of all employees, including teachers, and have reduced other expenses. Everyone, without exception, is required to make some financial sacrifice. Wages in every line of private employment have been greatly reduced. Millions cannot find employment at any wage.

Title III amends the 1933 Legislative Appropriation Act and authorizes the President, within 2 years, to make Executive orders in the interest of economy and efficiency, as provided in the act, abolishing, consolidating, or transferring bureaus, commissions, or other governmental agencies, provided that such Executive orders shall be submitted to the Congress while in session, and shall not become effective until after the expiration of 60 calendar days after such transmission, unless Congress shall by law provide for an earlier effective date of such Executive order or orders. Such orders are in course of preparation and when made will have the effect to further greatly reduce governmental expenditures. Some have been made and were transmitted to Congress.

Title I is entitled "Veterans" and provides the classes under regulations issued by the President and subject to limitations prescribed therein who may be paid pensions and receive domiciliary care where they are suffering from permanent disabilities, tuberculosis, and mental diseases, and for medical hospital treatment for diseases and injuries.

The rules and regulations prescribed for the President and promulgated by him were too drastic, and many cases were brought to the attention of Members of Congress, which showed that there were injustices and inequalities. The President subsequently amended his rules and regulations and to some extent liberalized them.

Congress sought to further correct the abuses in the law and the regulations. The Senate first adopted what is

known as the "Connally amendment", which was the subject of conference between the House and the Senate conferees. The President seriously objected to certain provisions of the Connally amendment which limited the reduction in soldier benefits to a horizontal cut of 25 percent of the amount soldiers, including Spanish-American War and World War soldiers, were receiving on March 20, 1933, when the Economy Act was passed. He earnestly protested the retention on the rolls of the presumptive cases which without proof were presumed to be of service origin under the act of 1924, where the disability occurred prior to January 1, 1925, and insisted that these presumptive cases, of which there were 154,843, should be reviewed by disinterested boards set up for that purpose, with the burden of proof on the Government and giving the ex-service men the benefit of every reasonable doubt and charging the boards with the responsibility of fairly examining not only their files but any additional proof that may be submitted on behalf of ex-service men tending to show their disabilities were of service origin, and until October 31, 1933, all receiving disability compensation under the presumptive provision should continue to draw the same as theretofore, less 25 percent, or until their cases may have been adversely determined by one of these boards.

Second, he objected to payment of disability allowances to non-service-connected cases under the act of July 3, 1930, where the existing disability was not shown to be total and permanent.

Third, he insisted upon a reduction of Spanish American War pensions under the age of 62 years where the disability was not shown to be of service origin.

Fourth, he objected to hospital treatment for non-service-connected cases in excess of the use of the capacity of hospitals owned and operated by the Government and where it would necessitate additional expenses to hospitalize ex-soldiers for treatment of injuries received since their military service and where their disabilities were not of service origin.

The Steiwer-Cutting amendment was offered and adopted as a Senate substitute for the Connally amendment, which was intended to further liberalize and amend the regulations issued by the President with particular reference to Spanish-American War veterans who had not reached the age of 62 years.

The President insisted that his objections were so fundamental he made it known to leaders both of the House and the Senate and to the conferees that if the Steiwer-Cutting or the Connally amendment were added that he would veto the bill.

Anxious to secure legislation amending the Economy Act and liberalizing the rules and regulations promulgated by the President, the House conferees, after conferring with the President, insisted upon the House amendment which retained on the rolls on and after July 1, 1933, approximately 36,325 widows and dependents of ex-service men, provided boards to be set up to hear and pass upon all presumptive cases with the burden of proof on the Government to show that the disability was not of service origin, and to provide for a pension of Spanish-American War veterans over the age of 55 years who are in need and as much as 50 percent disabled without the necessity of showing that their disability is of service origin.

The purpose of the amended legislation except in those cases of ex-service men of the World War who are totally and permanently disabled and Spanish-American War veterans under 62 years of age is to grant a pension to the soldiers of these wars where their disability is of service origin.

The House amendment was strongly supported by many of the leading ex-service men who are Members of Congress, including Hon. WRIGHT PATMAN, of Texas, and Hon. GORDON BROWNING, of Tennessee, who were members of the special committee conferring with the President to secure the most liberal legislation possible for the benefit of soldiers of all wars. They, realizing that additional and further legislation could not be secured, strongly urged the

adoption of the House amendment, which, together with the amended regulations issued by the President during the controversy, would increase the benefits to the soldiers in an estimated sum of from \$100,000,000 to \$150,000,000, which the soldiers would not have received without the House amendment, and if the Senate amendment were added and vetoed would leave the benefits to be received the same as those received under the regulations originally issued and amended under the act of March 20, 1933. The benefits will depend upon sympathetic administration and decisions of the boards.

The pensions of Civil War veterans were reduced 10 percent by the act of March 20, 1933, and they were not disturbed by the amended legislation. The grand total of disbursements for pensions on account of this war to June 30, 1932, was \$7,600,321,525.34.

The objection of the Spanish-American War veterans was principally directed to those on the pension rolls under 62 years of age, whose pensions would be either cut off entirely or greatly reduced.

As to the Spanish-American War veterans, the discussion in the Senate was to the effect that on June 30, 1932, pensions were being paid to 196,541 at a cost of approximately \$124,000,000 per annum. The number enlisted was given at 280,564, and that of these there were killed in action 498, died of wounds 202, died of disease 5,423, died by accident and other causes 349; total deaths, 6,472; wounded, but not mortally, 2,961.

At the close of the fiscal year 1932 compensation was being paid to 328,658 veterans of the World War for disabilities either directly or presumptively of service origin, and of these 154,843 were presumptive cases. The disbursements for this purpose were \$181,900,493.14.

The disability-allowance cases, being those not of service origin under the act of July 3, 1930, on June 30, 1932, numbered 407,584, and for that fiscal year received \$75,458,233. Of this class, those permanently and totally disabled will remain on the roll.

The total paid to the World War ex-service men for the fiscal year ending June 30, 1932, both service-presumptive and non-service-connected, was \$264,998,613.76.

The total amount appropriated for and disbursed through the Veterans' Administration for all purposes for the fiscal year ending June 30, 1932, including pensions, administrative purposes, hospitalization, and all other expenditures, aggregated \$948,799,000.

No one has greater confidence in the wisdom or the patriotism of the President. I am sure of his deep sympathy for the soldiers of all wars; and if in the administration of the bill and the regulations promulgated under it he finds injustices have been done, he will continue to have the courage to correct them. Veterans of all wars may rest assured that he will give earnest consideration to representations made in their behalf by their several organizations. His leadership has challenged the admiration of the entire country and the world. He is a man with lofty purposes and high ideals.

No President has shown a more humane spirit or evidenced a keener interest in relieving the distressed people of our country.

Briefly reviewing the history of this legislation and my attitude toward it, permit me to say an effort was made during the last session of Congress to drastically reduce the compensation and benefits received by the ex-service men of the World War. These drastic reductions were not made for the reason that the hearings then being held but not completed disclosed that the Veterans' Administration was actively reviewing every case on its merits, whether for disability compensation or pension, which was pending before it, with a view of determining whether mistakes had been made in any case in allowing the claim, and whether the amount should be increased or decreased, or the claim disallowed. I insisted that each claim be reviewed on its merits.

Appreciating that the duties devolving upon the President were so great that he must of necessity charge other officials

with the responsibility of preparing the rules and regulations which the bill provided, and knowing the attitude of those who may be charged with this responsibility, in caucus, I supported the Browning amendment to limit the reduction of benefits to ex-service men not to exceed 25 percent. The parliamentary procedure under which the bill was considered in the House would not permit the offering of such an amendment to the bill.

The Veterans' Administration claimed the authority under existing law to review all claims, but the work was not completed. A joint committee appointed to study the question had postponed its report beyond the adjournment of Congress March 4, 1933.

It had been urged in the press, on the stump, in private conversation, and in Congress, that some claims had been allowed which were without merit. I had no objection to permitting the Veterans' Administration in making an investigation of each claim pending before it with a view of correcting any mistake that had been made. I did not then and do not now favor striking the names of ex-service men from the rolls in groups, but think each case should be judged on its own merits. Where the name of an ex-service man is on the roll and disability compensation or pension has been allowed, the burden of proof should be on the Government to show that the claim is excessive or without merit at all.

The ex-service men joined the colors when the war resolution was passed on April 6, 1917. They upheld the fine traditions of our country. They are entitled to sympathetic consideration at the hands of a grateful nation. Every ex-service man who suffered a disability in line of duty and not the result of his own misconduct should receive compensation in proportion to the disability incurred, and in case of death his widow and dependents should be generously cared for by a grateful nation.

Now, as to that large class of claimants under the act of July 3, 1930, and who were granted pensions and generally referred to as non-service-connected, the fact is too frequently overlooked that many thousands of the ex-service men are now disabled and are unable to trace their disabilities to service origin. Upon discharge they were hastily examined and returned home. Soon after entering civil life many felt the strain, became disabled, and were treated by local physicians, without complete records being made, and later many of them broke under the strain.

In my judgment, the disabilities of literally thousands of these splendid men were of service origin, yet they were unable to present medical proof to the satisfaction of and as required by the Veterans' Administration.

Each of these cases should be sympathetically reexamined with the burden of proof on the Government. Lay testimony should be accepted, and if fairly reviewed, there should be no complaint upon the final decision.

As heretofore referred to, there are 154,843 presumptive cases on the rolls. Many of them are suffering from tuberculosis and mental diseases, and I do not believe as to them that Congress intended to repeal these presumptions.

Before any members of a group of this character are stricken from the rolls each individual case should be reexamined, with the burden of proof upon the Government to show that the ex-service man was not entitled to the compensation or pension received and the disability in fact was not of service origin.

Now as to hospitalization, two things should be taken into consideration. First, the splendid services which these ex-service men rendered the Nation, and, second, the depression that has impoverished a very large percentage of the population of our country, including, of course, the ex-service men.

I have always felt, first, that we owed a duty to the veterans to hospitalize the men who had suffered a disability in line of duty, and that to the extent of the capacity of our hospitals we should care for all ex-service men in need of hospitalization, with particular reference to those who are unable, because of financial difficulties, to secure proper hospitalization and treatment. If these men were willing to

offer their lives upon the altar of their country and defend our flag, they should be cared for when ill and in financial distress and unable to care for themselves.

In this connection permit me to say that I favored the payment of the balance due on the adjusted-service certificates, first, because I did not feel that the ex-service men had been adequately compensated and the Government would have been only remitting the interest, and, second, the payment of the balance due would have been so widely distributed it would have greatly aided in relieving the depression.

With reference to regional offices: Until every case is reviewed and finally adjusted, regional offices should be maintained in each State accessible to the ex-service men where they can go and contact the officials of the Government, present their claims, be reexamined, and be personally advised as to what additional testimony, if any, is necessary to substantiate their claims.

In most cases the regional offices can and should be combined with the Government hospitals, and in this way they could be maintained with little additional expense. The ex-service men cannot complete their cases through correspondence with the Washington office, which would be necessary if the work of all the regional offices is concentrated here. It should be as much the duty of a Government official to assist the ex-service men in perfecting their claims as it is to protect the Government by reducing or disallowing claims which are not meritorious.

Mr. LOZIER. Mr. Speaker, under a computation made by the Veterans' Administration, it appears that as a result of the compromise veterans' legislation recently enacted by Congress and approved by the President \$96,000,000 will be added to allowances for veterans and their dependents in the fiscal year ending June 30, 1934.

Following is a tabulation of the increases in veteran payments required under the compromise, as shown by the latest official schedules for 1934:

Classification:	Increase
Disability compensation.....	\$49,662,000
Death compensation.....	11,130,000
Disability allowances.....	3,967,000
Spanish (connected).....	4,985,000
Spanish (nonservice).....	15,157,000
Peace veterans.....	2,609,000
Hospitalization.....	8,500,000
Total increases.....	96,010,000

These are annual increases over what would have been paid under the original economy regulation. I desire to make a brief analysis of these increases, so the public may know what additional compensation each group of veterans will receive as a result of the recent legislative compromise.

First. Veterans of the Civil War and all prior wars received no increase under the compromise, as their pensions were not materially reduced by the Economy Act. Their total payments for 1934 are unchanged and will approximate \$76,000,000.

Second. The allowance to so-called "peace veterans", those who were disabled in service rendered after the armistice, was increased from \$5,600,000 to \$8,281,000, an annual increase of \$2,681,000. In addition the widows and other dependents of this group will draw \$2,400,000.

Third. Under the compromise the hospitalization budget was raised from \$77,273,000 to \$85,773,000, an increase of \$8,500,000. This increase in the amount allowed for hospitalization was due to relaxing and liberalizing the regulations under which ex-soldiers and sailors may qualify for domiciliary care.

Fourth. Spanish-American War veterans get an additional \$20,000,000 as a result of the legislative compromise. This increase to Spanish-American War veterans is distributed as follows:

(a) Those who are pensioned for service-connected disabilities will get \$5,000,000 more than they would have received under the economy regulations.

(b) Spanish-American War veterans who are drawing or will draw pensions for disabilities not contracted in the serv-

ice will receive \$15,147,000 more than they would have received under the economy regulations. In the aggregate, under the legislative compromise, the payments to Spanish-American War veterans and their dependents were increased from \$40,000,000 to \$60,000,000 annually.

Fifth. Under the compromise the payment to World War veterans who have disabilities incurred in the service and in line of duty will be increased from \$68,610,000 to \$118,275,000, an annual increase of \$49,664,000. This increase will go to World War veterans whose disabilities have been found to be directly or presumptively incurred in the service.

Sixth. Under the compromise there will be an increase of \$11,000,000 in payments for death compensation in cases where the death of the veteran is directly or presumptively due to battle injuries.

Seventh. In disability-allowance cases; that is, cases where payments are made to a veteran on account of disabilities in no way resulting from or connected with his military service, the total under the legislative compromise is increased from \$6,173,000 to \$10,145,000, an annual increase of \$4,028,000 over what would have been paid under the economy regulations.

Now, while the compromise negotiated by the committee of which I am a member did not give the veterans all they demanded, nor all to which I think they are entitled, it does add \$96,000,000 annually to their payments, and it seems to me that this is a worth-while sum, much of which would have been lost to the veterans if Congress had rejected this compromise. It would have been an act of supreme folly to reject this \$96,000,000 because, forsooth, the veterans believed they were entitled to a much more liberal adjustment.

I am frank to say that we obtained for the veterans \$96,000,000 more than I thought would ever be granted when our committee first conferred with the President. But, as we continued our conferences with him, he came to a realization that the cuts made in pensions and compensation allowances were entirely too drastic, and he manifested a liberal and sympathetic attitude toward the veterans at all times during our negotiations.

And may I say that we were dealing with an exceedingly controversial subject on which good and great men and women differ radically; and, like all other controversial and highly explosive questions, a settlement was only possible by a compromise and mutual concession. But this compromise does not foreclose either the veterans or the Government from having this perplexing question reopened and reconsidered at any subsequent session of Congress.

ADJOURNMENT SINE DIE

Mr. BYRNS. Mr. Speaker, I offer the following concurrent resolution and move its adoption.

The Clerk read as follows:

House Concurrent Resolution 24

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress shall adjourn on Friday, the 16th day of June, 1933, and that when they adjourn on said day they stand adjourned sine die.

The concurrent resolution was agreed to.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DOUGLASS, indefinitely, on account of illness in family;

To Mr. GAMBRILL, for the day, on account of important business;

To Mrs. NORTON, on account of illness; and

To Mr. ALLEN (at the request of Mr. Goss), indefinitely, on account of death in family.

THE STRUCTURE AND PLANS OF THE FARM CREDIT ADMINISTRATION

Mr. JONES. Mr. Speaker, I ask unanimous consent to have printed in the RECORD an address delivered by Henry Morgenthau, Jr., on the structure and plans of the Farm Credit Administration delivered over the National Broadcasting Co.'s system on June 14, 1933.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address of Henry Morgenthau, Jr., Governor of the Farm Credit Administration, broadcast from Station WMAL, Washington, D.C., over the National Broadcasting Co.'s network of stations, Wednesday evening, June 14, 1933:

The ANNOUNCER. An Executive order of President Roosevelt recently brought into existence an important new agency of the National Government known as the Farm Credit Administration, which takes over the duties and responsibilities of the Federal Farm Board, the Federal Farm Loan Board, and other agencies of the Government dealing with farm credits. The head of this new agency, Mr. Henry Morgenthau, Jr., has, on several other occasions, addressed the radio audience from this station as Chairman of the Federal Farm Board, and as Governor-designate of the Farm Credit Administration. Tonight, as Governor of the Farm Credit Administration, he is to speak on the Structure and Plans of the Farm Credit Administration. Governor Morgenthau.

Mr. MORGENTHAU. Your announcer has referred to other occasions on which I have made use of opportunities granted to me by the National Broadcasting Co. to explain the work committed to me by President Roosevelt. Immediately after the President had signed the Executive order bringing together the various farm-credit agencies of the Government, I used the radio to outline briefly the reasons for the Executive order and what it was planned to accomplish. Then after the passage of the Emergency Farm Mortgage Act a few weeks ago, I undertook to explain how this act was to be administered and the opportunities for credit relief which it offered to farm debtors. Tonight I am able to tell you something a little more definite about how the whole problem of farm credits will be approached by the Farm Credit Administration in carrying out the plans advanced by the President when he issued his first consolidation order on March 27, 3 weeks after he had assumed office.

I am able to be thus definite since Congress has just passed a new act, the Farm Credit Act of 1933, which supplements the Executive order and sets up the machinery under which we are to operate.

Let me tell you first what the Farm Credit Administration is and what it is not. It is an agency for supervising loans made or to be made to farmers and farm organizations through instrumentalities set up for that purpose by Federal law. Its field is exclusively farm credit. It has nothing to do with loans on city and town homes and it has nothing to do with measures for the control of farm prices and farm surpluses. While as an organization it is new and it operates under a new name, it is not administering any new function of the Government. It has instead taken over and consolidated several agencies heretofore working in the same field. It is the successor to the Federal Farm Board, the Federal Farm Loan Board, the Crop Production Loan Office, and the feed- and seed-loan offices of the Department of Agriculture and to the Agricultural Credit Division of the Reconstruction Finance Corporation, which supervised the work of the Regional Agricultural Credit Corporations.

The Federal Government has been making or supervising loans to farmers of three different kinds. These are:

First, long-time loans on the security of land mortgages.

Second, loans designed to be of comparatively short duration for operating purposes, to be repaid from the proceeds of current production.

Third, loans to cooperative-marketing organizations of farmers to permit them to market the crops of their members in an orderly and efficient way.

The Farm Credit Administration will continue to supervise loans in all three of these classes, but through somewhat different methods and machinery, and it is of these changes that I wish particularly to speak.

The first class of loans I have mentioned have heretofore been made through the Federal land banks, to whose stock the United States Government is now the largest subscriber. Similar loans have been made by joint-stock land banks, which are private institutions under Federal supervision, but by the terms of the new Farm Mortgage Act these banks are expressly forbidden to make any new loans and must therefore continue merely to liquidate their present holdings. The Federal land banks, however, of which there are 12, will continue to do business as they have heretofore except that the supervision of their affairs that has been exercised by the Federal Farm Loan Board is now exercised by the Farm Credit Administration.

The new Farm Mortgage Act very greatly enlarged the resources of the land banks for making new loans. They now hold more than a billion dollars' worth of farm mortgages and they were authorized to issue two billions in new farm-loan bonds, the interest on which is guaranteed by the United States Treasury. These bonds can be exchanged for farm mortgages or they may be sold and the proceeds used either to buy existing mortgages or to make new loans. Where they purchase mortgages for less than the amount due on them, the farmer-borrower has his debt reduced in that amount. For 5 years those whose mortgages are held by the Federal land banks need pay not more than 4½ percent interest and need not make any payments on the principal in

that time. An additional fund of \$200,000,000 has been provided for direct loans by which farmers may repurchase farms lost by foreclosure and refund present indebtedness.

The first-mortgage loans of the Federal land banks are made through a cooperative system of farm-loan associations, of which there are nearly 5,000. Each borrower subscribes 5 percent of his loan in stock of such an association. The new Farm Credit Act just passed further strengthens these organizations by removing, as to future loans, the liability for an additional 5 percent assessment in case of heavy defaults and authorizes the land banks themselves to share these losses. It also broadens the definition of a "farmer" so that many not now eligible who operate their farms through tenants may become borrowers.

It is in the two other classes of loans, however, that the act just passed by Congress makes its chief changes. First of these is in the field of production credit. This shorter-term credit heretofore has been supplied or supervised through three different agencies. All will continue to function, but an effort will be made to broaden and strengthen one of the three means of supplying this form of credit, with the hope that it will supplant eventually the other two.

The Regional Agricultural Credit Corporations and the Crop Production Loan Office now lend directly to farmers. The Intermediate Credit Banks rediscount loans made by other lending institutions, including cooperative credit associations of farmers. In the belief that the direct loan is a hazardous and demoralizing form of credit and that the control of credit conditions ought to be, so far as possible, in the farmer's own hands special provision has been made in the Farm Credit Act for giving encouragement to the cooperative method of borrowing.

Heretofore, credit associations of farmers could rediscount through the intermediate credit banks up to about five times their capital, but generally they had to supply all the initial capital themselves. The Farm Credit Act creates a division in the Farm Credit Administration for supplying capital to these associations and supervising their operations, and it makes available a fund of \$120,000,000 for this purpose. The fund is to be administered by production credit corporations in each Federal land bank district. The governing authority over these corporations is to be the board of directors of the Federal land bank, which also governs the intermediate credit bank in each district. Provision is made for representation of the credit associations on the board of directors of the land bank.

The credit associations will be similar to farm-loan associations. Each borrower will subscribe in capital stock 5 percent of his loan and this will be the limit of his liability for loans to his neighbors. The association and its loan committee will have power to pass on any new loans and will indorse the loans for rediscount by the intermediate credit bank. The intermediate credit banks, through the sale to investors of their debentures secured by the collateral pledged with them, have an ample source of capital for indefinite expansion of loans made under this system. The capital supplied by the Government through the production credit corporations will thus be multiplied.

The object of this plan is not merely to open larger sources of production credit to the farmer, but to decrease the cost to him and to give him greater control over it. The same principle is to be applied under the terms of the Farm Credit Act in decentralizing the activities heretofore carried on by the Federal Farm Board. A similar district corporation is to be set up for loans to cooperatives. It will be known in each district as the "Bank for Cooperatives", and it also will be governed by a board of directors identical with the board of the land bank. The cooperative borrowers also will be represented on this board of directors. A portion of the revolving fund of the Federal Farm Board will be made available to each district Bank for Cooperatives. These banks will make loans to cooperatives, either purchasing or selling cooperatives, whose field of operations is local and confined to the land-bank region.

Loans will continue to be made to cooperative farm organizations of national scope. These will be made by an organization to be known as the Central Bank for Cooperatives, which will be set up as a part of the Farm Credit Administration in Washington, D.C. Here again it is planned, instead of making further grants of Government funds, to permit the Central Bank for Cooperatives to rediscount the loans of the regional banks for cooperatives and to sell to investors debentures secured by collateral pledged by the cooperatives.

Substantial changes have been made by the Farm Credit Act in the Agricultural Marketing Act, which created the Federal Farm Board. The President's order abolished stabilization operations, which consisted of buying staple commodities and holding them off the market. These operations cost the Government more than \$200,000,000. They have now come to an end. Provisions for crop insurance and loans for purely promotion purposes have been eliminated by the new act and loans to cooperatives have been put on a business basis by the requirement that the interest rate to be charged shall not be less than 3 percent nor more than 6 percent. Under the former wording of the Agricultural Marketing Act, it has been possible to make loans of Government money at a rate as low as one eighth of 1 percent, far less than the Government itself was paying for the money.

Carrying out the terms of the President's order and of the Farm Credit Act, which Congress has just passed, the Farm Credit Administration is being set up in five divisions. As Governor of the Farm Credit Administration I am responsible directly to the President. Under my authority will be five commissioners, each heading a division of the work. These are the

Land Bank Division, supervising the land banks and the agents of the land bank commissioner making mortgage loans on farm land; the Intermediate Credit Division, supervising the 12 intermediate credit banks; the Cooperative Bank Division, supervising the central and regional banks for cooperatives, 1 in each of the 12 land-bank districts; the Production Credit Division, having supervision over the 12 production credit corporations, which will supervise and subscribe to the capital stock of production credit associations of farmers; and, finally, the Emergency Credit Division, which will continue, as long as may be found necessary, supervision over the two classes of emergency loans and their collection.

In each of the 12 districts all of these activities will eventually be housed in one location. In each district there will be a general agent of the Farm Credit Administration through whom contact will be made with all branches of the work. There will be an officer in charge of each activity, subject, in the case of the four permanent branches of the work, to the authority of the board of directors in the district.

The records of each of the activities in each district will be available to each one of the others. All applications, for all classes of loans, can be handled without delay by being passed to the proper division. All field agents will have information on all classes of loans and applications. The purpose will be to render prompt and effective service and to eliminate duplication and confusion.

There is one central motive behind the farm-credit legislation that has been enacted in these past 2 months and behind the operations of the Farm Credit Administration. It is to give the farmer a fair chance to meet his obligations and to get out of debt.

PROGRAM OF PRESIDENTIAL ELECTORS

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to extend my remarks by including the remarks of Claude Bowers and the proceedings incident to the first meeting in the history of the country of Presidential electors in Washington on March 3, 1933, to participate in the inauguration of the President of the United States, and also to include the remarks of James A. Farley and others at this meeting.

The SPEAKER. Is there objection?

There was no objection.

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to extend my remarks by including the remarks of Claude Bowers and the proceedings incident to the first meeting in the history of the country of Presidential electors in Washington on March 3, 1933, to participate in the inauguration of the President of the United States, and also to include the remarks of James A. Farley and others at this meeting.

The matter referred to is as follows:

PROGRAM—PRESIDENTIAL ELECTORS

March 3: 6:30 p.m., meeting and dinner, Hotel Willard; 10 p.m., reception to the Governors, Pan American Building.

March 4: 11 a.m., meeting, main Appropriations Committee room, House of Representatives, Capitol; inaugural ceremonies at Capitol; 12:45, inaugural parade from Capitol (cars provided); 4-6 p.m., reception at White House.

March 5: Reception Vice President and Mrs. Garner; 4 p.m., religious exercises, tomb of Woodrow Wilson; address by Josephus Daniels.

PRESIDENTIAL ELECTORS' DINNER, WILLARD HOTEL, MARCH 3, 1933

Program

Invocation.....Right Reverend James E. Freeman, D.D.
Bishop of Washington
Introduction of the chairman.....Michael Francis Doyle
Executive chairman, Electoral Colleges Committee
Opening address.....James A. Farley
Honorary chairman Electoral Colleges Committee
Chairman Democratic National Committee
Announcement of the votes of the Electoral College
Edwin A. Halsey, secretary to the minority,
United States Senate
Patrick J. Haltigan, Reading Clerk,
United States House of Representatives
Address.....Claude G. Bowers
Solo, "America".....John Charles Thomas
Presentation of newly appointed members of the Cabinet
Closing prayer.....Rev. Charles E. Coughlin
Rector, Shrine of the Little Flower, Royal Oak, Mich.

MEETING AND BANQUET OF THE ELECTORAL COLLEGES OF THE UNITED STATES, THIRTY-SEVENTH PRESIDENTIAL ELECTION, HOTEL WILLARD, WASHINGTON, D.C., MARCH 3, 1933, AT 6:30 O'CLOCK

REMARKS OF MICHAEL FRANCIS DOYLE, OF PENNSYLVANIA, CHAIRMAN OF ELECTORAL COLLEGES COMMITTEE

Mr. DOYLE. The first meeting of the Electoral Colleges of the United States, being the Presidential and Vice Presidential electors chosen at the national election on November 8, 1932, will please come to order. We will ask the Right Reverend James A. Freeman to pronounce the invocation.

PRAYER BY THE RIGHT REVEREND JAMES E. FREEMAN, D.D., LL.D., BISHOP OF WASHINGTON

Almighty and most merciful Father, we praise Thy holy name that, through all the changed and changing circumstances of life, Thou hast made and preserved us a nation. In days of shadow, as in days of sunlight, Thy hand has led us. Under Thy directing care we have grown in strength and power. We pray Thee to continue to bless our land with honorable industry, sound learning, and pure manners; to save us from violence, discord, and confusion; from pride, arrogance, and from every evil way. Deepen our sense of loyalty and devotion to Thee that, through obedience to Thy law, we may show forth Thy praise among the nations of the earth.

We remember before Thee those who in these troublous days have experienced privation and misfortune. Do Thou in Thy mercy ease their burdens and restore to them the blessings of health and happiness. To him who presently shall assume the weighty responsibilities of leadership in the Republic, do Thou vouchsafe wisdom, strength, and courage that he may so guide and direct the large concerns of the Nation that it may continue to fulfill those high and holy designs for which Thou hast created it. In the time of prosperity fill our hearts with thankfulness, and in the day of trouble suffer not our trust in Thee to fail. All of which we ask in the name of Him who for our sakes became poor that we, through His poverty, might be made rich, Thy Son, our Savior, Jesus Christ. Amen.

REMARKS OF MICHAEL FRANCIS DOYLE, EXECUTIVE CHAIRMAN ELECTORAL COLLEGES COMMITTEE

This occasion is indeed a historic one. For the first time since the adoption of the National Constitution by the convention in Philadelphia in 1787 the Presidential electors have met as a body. It is true that this meeting cannot be regarded as an official gathering. It is also true that the Presidential electors chosen by the people of the various States have never met together. This meeting, therefore, is unique in American history. The last national election was the thirty-seventh Presidential election. The old Constitution under which it was held still stands. Our country, however, has grown from the small stretch along the Atlantic coast, crossing a continent with its adjacent islands and with over 125,000,000 inhabitants. In power, in strength, in majesty, it is now the foremost of all nations which comprise the world today. The head of our Nation is chosen by the electoral colleges of the 48 States of the Union. The electors of these colleges are chosen by the people. You are the electors. You have met in the various capitals of your States, you have cast your ballots, and you have selected as the choice of the people as President of the United States to be inaugurated tomorrow Franklin D. Roosevelt, of New York, and as Vice President John N. Garner, of Texas. Your ballots have been forwarded to the Congress of the United States and proclamation has been made of your choice by the Congress to the world. The man of your choice for the great office of President has enunciated his platform for a new deal for the American people. Tomorrow he will announce in his inaugural address the principles of his new administration. It is proper and fitting that you should meet here to participate in his inauguration. You, as the representatives of the people, chosen to select the President and Vice President, will find that Franklin D. Roosevelt will measure up to the high standards which the American people demand and that he will lead our Nation from its present period of distress once more to happiness and prosperity.

It is my pleasure to introduce as presiding officer of this occasion the pilot who guided our party through the campaign and who has achieved the greatest victory ever obtained by the Democratic Party in any national contest, the chairman of the Democratic National Committee, the new Postmaster General of the United States, and who is also an elector from the State of New York, the Honorable James A. Farley.

REMARKS OF CHAIRMAN JAMES A. FARLEY, MADE AT THE DINNER OF THE ELECTORAL COLLEGES OF THE UNITED STATES AT THE WILLARD HOTEL ON THE NIGHT OF MARCH 3, 1933

Members of the electoral colleges, officially you have already performed the high function delegated to you by the majority of the voters in your respective States in the Presidential election of 1932. In conformity with the method provided by the Constitution of the United States and in execution of the will of the Democratic Party expressed in its last national convention, you have cast your electoral ballots for Franklin D. Roosevelt for President of the United States and for John N. Garner for Vice President; your action has been canvassed and your choice for these highest offices in our country has been officially promulgated by the Congress of the United States. Tomorrow you will witness the fruition of your action in the inauguration of President Roosevelt and Vice President Garner. Officially you represent the most harmonious political sentiment of the country in more than a century.

Unofficially you now constitute a unique historic gathering, unprecedented in our political history. Although your official existence ended in January last when you cast your electoral ballots, you are now setting a happy and inspiring precedent by assembling in the National Capital to receive the honors and acclaim of your fellow citizens of the Democratic Party and those others who cooperated with it in the last election—the first general meeting of Presidential electors since the adoption of our Constitution.

The usual experience has been in both parties that when the Presidential electors have performed their official function they are soon forgotten by the general electorate. Your presence here as honored guests is additional testimony and assurance that under

the incoming administration there are to be no forgotten men. I trust that the precedent established by this large gathering of Democratic Presidential electors, meeting as a body, may be repeated quadrennially for many years to come. I also express the hope and belief that at the next general assemblage of Democratic Presidential electors the sun of a real prosperity will be shining upon our country and that the great principles of our historic party will have taken such a firm hold upon the intelligence and sentiments of the American people that our party, which is most truly representative of all the people, will be indefinitely continued in power to guide the destinies of our country along the lines laid down by the founder of the Democratic Party: "Equal and exact justice to all; special privilege to none."

I greet you and felicitate you upon this history-making gathering. Ladies and gentlemen, it is with special pleasure that we present to you as the main speaker of this evening one of the most famous orators, authors, and publicists, who is known and admired in every part of our country, Hon. Claude G. Bowers, of New York.

ADDRESS OF HON. CLAUDE G. BOWERS

The breach of promise suit against the outgoing regime has been tried in the court of public opinion, and you gentlemen of the electoral colleges have rendered a verdict in favor of the plaintiff. It more nearly approaches a unanimous verdict than any since the days of James Monroe that ushered in the era of good feeling.

I understand that only the members of the electoral colleges who voted for the victor are here tonight, and that explains the congestion in the room. I once heard a man of ineffable wisdom and spotless virtue say that while he was a friend of untrammelled education he never would stand for anyone on the faculty of the electoral colleges but a Democrat. Well, there are scarcely enough of the other variety this year to create an academic breeze.

I doubt if ever there has been a faculty so united and harmonious as that of the electoral colleges of 1932; and this reflects accurately the determination of vast numbers of Americans of all political affiliations that, in government, there shall be a new deal, and equally, a square deal for every element within the State.

This is an historic occasion. This is the first time since the formation of the electoral colleges almost a hundred and fifty years ago that their members have been summoned to a national conclave.

This is the first time that they who, under the Constitution, determine the victory have been invited to participate in the festival of the triumph.

This is the first time that they who bestow the scepter of authority have been permitted to follow the favored to his coronation by the people.

When the consummate statesmen of the Constitutional Convention were engaged in the framing of the fundamental law they pondered long upon the method for the choosing of a President.

They decided once to leave the choosing of the President to the Congress, and then they reversed themselves. It was proposed that the election be left to the governors of the various States, but this was rejected. It was suggested that the President be selected by the popular vote of the people, but this ran counter to the deep undercurrent of distrust of democracy which cropped out time and again during the deliberations of the convention.

Finally the electoral system was devised upon the theory that it is best to leave the choice to a comparatively small body of men chosen with a view to their special fitness.

It is interesting to observe that in every instance where the electoral colleges have failed in their function a Democratic idol has been the victim; but we can forgive you this in view of the rare unanimity with which this year you have raised to the seat of power the Democratic idol of the hour.

In the beginning it was provided that each elector should vote for two men, with the understanding that the one having the largest number of votes should be the President and his closest competitor should have the second place. Then in 1800 came the failure, which threatened for a time to destroy the Republic in its infancy.

Because of the consummate political leadership of Thomas Jefferson the Democrats that year not only were mobilized and organized but sternly disciplined to party regularity. A Democratic congressional caucus had nominated Jefferson for President and Aaron Burr for second place. But it turned out that the drillmasters and disciplinarians of the Jeffersonians had builded better—or worse—than they knew. For contrary to expectations and all precedents each Democratic elector voted the straight ticket of the party caucus, resulting in a tie, which threw the contest into the House.

Now, everyone understood that it was the purpose of the people to make Jefferson President; but, inspired by spite and hate, the Federalists entered into a conspiracy to elect Burr instead. Had that conspiracy succeeded, it would have meant the instant disruption of the Union. But it failed, because Alexander Hamilton rose above party spite and subordinating partisanship to patriotism made vehement protest against one of the most infamous conspiracies to set aside the will of the people in American history.

It was that incident which led to the adoption of the twelfth amendment, providing that thereafter each elector should specifically designate both his choice for the first and second place.

A quarter of a century came and went, and in 1824 another Democratic idol, Andrew Jackson, was a candidate for the Presidency. He had a magnificent plurality of the popular vote and of the electoral colleges. But with three statesmen of outstanding merit in the field against him he failed to receive the necessary majority. Again the contest was thrown into the House, again

there was a combination against the choice of the people, and through this combination the will of the people was set aside.

But the effect was to put the fire of battle into the blood of the Jacksonians and set them on the march, regimented and munitioned, and they entered the next campaign with the most compact and powerful organization the Nation yet had known and swept on to victory; and the army that won the fight remained intact and constantly on guard through 8 years of magnificent achievement.

Another 50 years came and went before the election of 1876. We entered the campaign in that centennial year under the leadership of one of the noblest and purest patriots in all our history, Samuel J. Tilden.

He had a clear majority of the popular vote. He had a clear majority of the electoral colleges; but the rule of brutality and bayonets had been so thoroughly established during the period of reconstruction when the South was crucified upon the cross of hate by carpetbaggers and corruptionists that, under the thin disguise of legality, Tilden was robbed of enough electoral votes to deprive him of the Presidency.

But the shock and shame of that treason, together with the realization that a repetition would mean the end of the Republic, had a good effect; for under the pricking of the conscience and the bludgeoning of an outraged public sentiment the bayonets were removed from the throats of the southern people, who resumed their sovereignty as self-governing communities under the protection of a Constitution which for 12 long years had been used as a veritable doormat of the ignorant and the vile.

But, on the whole, Americans may well be proud of the functioning of their institutions through which, peaceably, we may pass from one governing regime to another. Thus a short time ago the issues were drawn, the debate was held, the verdict peaceably was rendered, the result is accepted by the defeated with dignity and good humor, and tomorrow a new regime goes into power with the best wishes of every patriot of every party in the land.

That is a tribute to the functioning of our institutions.

But there is another tribute that may well be paid tonight. For many months we have been in the valley of the shadows of the deepest depression we have ever known. Millions of industrious and self-respecting men have been subjected to humiliations that ought never be imposed on any man who asks for nothing more than the opportunity to earn his bread. There has been suffering and that torture of the spirit which often drives men to desperation and despair.

But through these many months, these millions have been patient and true to their faith in the capacity of our institutions to meet the economic issues upon the solution of which depends the restoration of prosperity. Not once has the spirit of the mob arisen to accentuate the difficulties of the times. All this we knew.

What we did not know was what the reaction of these suffering millions would be in the secrecy of the ballot box. The soil of human misery all through history has been receptive to the seed of subversive and revolutionary doctrines, and we have had men sowing the seed. Our cynics and scoffers have been garrulous in deriding the idea that our political and social systems can meet the needs of humanity.

And yet, despite the suffering and the propaganda, no political party hostile to our institutions made any gains, and the Communists polled a vote so insignificant that it scarcely figured in the reports of the election. Now all that means this—that Americans have determined to hold fast to the institutions that were built with the labor and cemented with the blood of the patriots of a century and a half. They turned, not to the red flag of upheaval, nor to the black flag of tyranny, but to the old flag, in the firm faith that just as it has fluttered over the victories of a hundred battlefields, so, in time, it shall lead us out of the depression.

All honor to the man without a job—he has been the premier patriot of these dark days.

But the attitude of these men calls for something more than praise, it calls for action to justify their faith. And that calls for the unification of men and women of all party affiliations in a determined effort to find the formula on which a renewed prosperity may be built.

In his first inaugural Jefferson thrilled the Nation with the exclamation:

"We are all Federalists; we are all republicans."

And by that he merely meant that we were all Americans.

And, as Americans, we all equally are interested in the revival of business, in the rehabilitation of industry, in the restitution to these jobless men of the jobs of which they have been deprived.

This is a time when men of all parties must stand shoulder to shoulder and march all one way—and that out of the valley and up the hill to the sunshine.

And at the head of the procession, and in command, beginning with tomorrow, will march the leader of the Nation's overwhelming choice.

I may, perhaps, be permitted to suggest some reasons for that choice:

No man in American history ever has waged a cleaner or a braver battle. He met the issues fearlessly; he diagnosed the Nation's diseases accurately; he prescribed remedies courageously where he had found them and promised to continue the search for remedies he had not yet found. Never once did demagoguery stain his lips. Not once did he promise the performance of a

miracle. He met his political opponents on the high ground of gentlemanly combat and never once did he strike below the belt. You may search his campaign pronouncements from the beginning to the end and you will look in vain for one solitary blunder. It means much to a nation in times like these to have a leader on whose taste and judgment we may rely.

But he did something more—he gave expression to a concept of government that rings true to the political philosophy of Jefferson, Jackson, and Woodrow Wilson. Here, clearly, was a progressive with his feet planted firmly on the bedrock of the Nation's fundamental faith.

And he did something more—he made it clear to all of us that under the intricate and complicated mechanism of our organized society all industries and elements are interdependent and no one can prosper if the others are in ruins.

It was he who reminded us that industry and finance cannot always wear silk if agriculture is reduced to rags.

Thus did he make a profound impression on the Nation by his vision and grasp of the situation and win the confidence of the people in the wisdom and integrity of his purpose.

And now, beginning with tomorrow, he is the Nation's leader—and you gentlemen of the electoral colleges have proclaimed him such.

When little more than 2 weeks ago a madman aimed a shot, not at him but at the organized society he now personifies, along with the horror among all decent men, was a deep feeling of thanksgiving that he had been spared, please God, for some noble purpose.

The courage and composure with which he faced a deadly danger, the instinct for the orderly processes of justice which even in the midst of the excitement bade him order the protection of the assailant from the fury of outraged men, the tenderness and sympathy with which he turned at once to the succor and the comforting of a friend have made a profound impression on the minds and hearts of the people. Courage, composure, fidelity to duty, loyalty to friendship—these are the qualities that already have endeared him to the people and brought home to political friend and foe alike the realization that now he is the Nation's leader and for 4 years at least the Nation's hope.

Now we cannot instantly restore prosperity by the waving of a magic wand. We were some years descending into the valley; we cannot hope to ascend the hill in a day. But under the leadership of a man who is steeped in the noblest traditions of the Republic, endowed with courage and capacity, with vision and penetration, and throughout his life has been inspired with a passionate desire to serve his country and mankind, we can, through our united efforts, not only lift ourselves from the depression but lay the foundation for a sounder, saner, and more permanent prosperity than we have ever known before.

May I not presume therefore to voice not only your prayer but that of all Americans: God save and strengthen Franklin D. Roosevelt in his battles for humanity and country.

Mr. FARLEY. We will now call upon the secretary of the minority of the United States Senate, Edwin A. Halsey, and the Reading Clerk of the United States House of Representatives, Patrick J. Haltigan, to announce the returns of the electoral colleges of the States of the Union.

Mr. Halsey and Mr. Haltigan announced the following vote:

States	Electoral votes of each State	For President		For Vice President	
		Franklin D. Roosevelt, of New York	Herbert Hoover, of California	John N. Garner, of Texas	Charles Curtis, of Kansas
Alabama	11	11		11	
Arizona	3	3		3	
Arkansas	9	9		9	
California	22	22		22	
Colorado	6	6		6	
Connecticut	8		8		8
Delaware	3		3		3
Florida	7	7		7	
Georgia	12	12		12	
Idaho	4	4		4	
Illinois	29	29		29	
Indiana	14	14		14	
Iowa	11	11		11	
Kansas	9	9		9	
Kentucky	11	11		11	
Louisiana	10	10		10	
Maine	5		5		5
Maryland	8	8		8	
Massachusetts	17	17		17	
Michigan	19	19		19	
Minnesota	11	11		11	
Mississippi	9	9		9	
Missouri	15	15		15	
Montana	4	4		4	
Nebraska	7	7		7	
Nevada	3	3		3	
New Hampshire	4		4		4
New Jersey	16	16		16	
New Mexico	3	3		3	
New York	47	47		47	
North Carolina	13	13		13	
North Dakota	4	4		4	

States	Electoral votes of each State	For President		For Vice President	
		Franklin D. Roosevelt, of New York	Herbert Hoover, of California	John N. Garner, of Texas	Charles Curtis, of Kansas
Ohio.....	26	26		26	
Oklahoma.....	11	11		11	
Oregon.....	5	5		5	
Pennsylvania.....	36		36		36
Rhode Island.....	4	4		4	
South Carolina.....	8	8		8	
South Dakota.....	4	4		4	
Tennessee.....	11	11		11	
Texas.....	23	23		23	
Utah.....	4	4		4	
Vermont.....	3		3		3
Virginia.....	11	11		11	
Washington.....	8	8		8	
West Virginia.....	8	8		8	
Wisconsin.....	12	12		12	
Wyoming.....	3	3		3	
Total.....	531	472	59	472	59

Mr. FARLEY. The closing prayer will be said by the Reverend Charles E. Coughlin, rector of the Shrine of the Little Flower, Royal Oak, Mich.

PRAYER BY REV. CHARLES E. COUGHLIN

Almighty God, we humbly thank You for the many blessings which You have bestowed upon us.

Once more we beseech You to fill the minds of our Nation's officers with wisdom, their hearts with courage, and their souls with the desire, first to serve You and then the people of this Nation.

ELECTORAL COLLEGES OF THE UNITED STATES, THIRTY-SEVENTH PRESIDENTIAL ELECTION

(James A. Farley, honorary chairman; South Trimble, honorary vice chairman; Michael Francis Doyle, executive chairman; and H. Newlin Megill, executive secretary)

PRESIDENTIAL ELECTORS, 1933

Alabama

W. C. Davis, Jasper.
James B. Stanley, Greenville.
H. D. Agnew, Lafayette.
T. E. Bunting, Dothan.
B. H. Cooper, Birmingham.
H. B. Fuller, Montgomery.
Bernard Harwood, Tuscaloosa.
R. E. Jones, Anniston.
W. F. Miller, Tuscumbia.
Y. M. Quinn, Russellville.
L. R. Tucker, Grove Hill.

Arizona

Roy Wayland, Phoenix.
William R. Matthews, Tucson.
John G. Flynn, Bisbee.

Arkansas

John I. Moore, Helena.
C. P. Newton, Little Rock.
Steve Carrigan, Hope.
Claude A. Rankin, Little Rock.
D. L. King, Hardy.
W. S. McGaugh, Siloam Springs.
June P. Wooten, Little Rock.
Charles A. Wall, Lonoke.
Basil Baker, Jonesboro.

California

Mrs. Anne Banning, South Pasadena.
Edward J. Cahill, San Francisco.
John P. Carter, Los Angeles.
P. J. Conklin, Los Angeles.
Charles L. Culbert, Jackson.
R. F. Del Valle, Los Angeles.
Charles O. Dunbar, Santa Rosa.
John T. Gaffey, San Pedro.
Nicola Giulii, Los Angeles.
Peter Haggerty, San Francisco.
Henry E. Harwood, Oakland.
Mrs. Clara L. Heller, San Francisco.
J. Ed. Hughes, Fresno.
W. R. Jacobs, Stockton.
Mattison B. Jones, Los Angeles.
John E. King, Hemet.
John Stevens McGroarty, Los Angeles.
Patrick Francis O'Rourke, San Diego.
Jackson H. Ralston, San Francisco.
Calvin L. Russell, Tulare.
Mrs. Mary Marshall Wiley, Los Angeles.

Colorado

Thomas Annear, Denver.
George E. Cranmer, Denver.
L. C. Paddock, Boulder.
Earl Sabin, La Junta.
M. O. Shivers, Colorado Springs.
Mrs. Robert W. Speer, Denver.

Connecticut

Rollin U. Tyler, Haddam.
Joseph H. Lawler, West Hartford.
Edward T. Buckingham, Bridgeport.
Thomas J. Smith, New Britain.
Thomas H. Beck, Wilton.
C. J. Satti, New London.
Elisabeth W. Morris, Newtown.
Louise Duffy, West Hartford.

Delaware

Hugh M. Morris, Wilmington.
John B. Hutton, Dover.
Willard F. Deputy, Laurel.

Florida

Willard W. Ayers, Gainesville.
George M. Dorman, Jacksonville.
William Fairbanks, Gainesville.
Herbert William Fishler, Fernandina.
W. B. Lanier, Tampa.
G. T. McClellan, Frink.
Hugh C. Sparkman, Daytona Beach.

Georgia

H. P. Smith, Reidsville.
W. J. Crowe, Sylvester.
Mrs. Nora L. Smith, Ashburn.
N. F. Culpepper, Greenville.
John W. Weeks, Decatur.
Charles J. Bloch, Macon.
Newt Morris, Marietta.
DeWitt Roberts, Valdosta.
Mrs. Mary Jarrett White, Toccoa.
Hugh J. Roe, Athens.
Mrs. Edgar Alexander, Atlanta.

Idaho

H. G. Harris, St. Anthony.
L. L. Burtenshaw, Council.
Frank Martin, Boise.
G. P. Mix, Moscow.

Illinois

Martin Durkin, Chicago.
C. N. Hollerich, Spring Valley.
Mrs. W. S. Hefferan, Chicago.
Alexander Wilson, Cairo.
George O'Connell, Chicago.
William Powers, Chicago.
Judge John J. Sullivan, Chicago.
Patrick McGuire, Chicago.
Moe Rosenberg, Chicago.
John A. Cervenka, Chicago.
Harry Kohl, Chicago.
James Ryan, Chicago.
Joseph L. Gill, Chicago.
Clarence Goodwin, Lake Forest.
John A. Logan, Elgin.
Walter K. Scherer, Ottawa.
William Steel, Dixon.
Marx M. Harder, Rock Island.
Robert F. Rennie, Canton.
Michael Fahy, Toluca.
C. S. Schneider, Paxton.
J. H. Elliott, Danville.
A. L. Yantis, Shelbyville.
Edward F. Cullinane, Havana.
S. P. Preston, Gillespie.
Judge W. A. Trares, Edwardsville.
David L. Wright, Effingham.
Ben F. Wineland, Flora.
W. B. Johnson, Benton.

Indiana

Albert P. Lesniak, East Chicago.
Charles W. Anglin, Warsaw.
Edward D. Logan, Goshen.
Sol Henoch, Ligonier.
Ned Phelps, Kokomo.
Ernest R. Stewart, Lebanon.
Frank Finney, Martinsville.
Herbert Leffel, Mount Vernon.
Mrs. Ethel Cummings, Brownstown.
John Gubbins, Muncie.
Albert Gisler, Indianapolis.
Evans Wollen, Sr., Indianapolis.
John W. Spenser, Evansville.
LeRoy R. Keach, Indianapolis.

Iowa

Thomas J. Walsh, Davenport, Scott County.
G. W. McFarland, O'Brien County.

F. E. Smith, Washington County.
A. L. Schuyler, Clinton County.
Mrs. W. T. Dooley, Marshall County.
R. G. Mitchell, Worth County.
W. B. Perkins, Wayne County.
Earnest Marshall, Warren County.
G. K. Swift, Shelby County.
Douglas Rogers, Carroll County.
J. A. Gartland, Sioux County.

Kansas

Aline K. Algie, Clay Center.
Ancil F. Hatten, Westphalia.
Harry D. Hover, Eureka.
E. B. Nelson, Longton.
S. E. Notestine, Burdett.
Charles Riseley, Stockton.
John I. Saunders, Cheney.
Gene Sullivan, Atchison.
Thomas J. Sweeney, Lawrence.

Kentucky

W. R. Hazelwood, Bardwell.
Wilbur K. Miller, Owensboro.
B. M. Vincent, Brownsville.
J. R. Layman, Elizabethtown.
Shackelford Miller, Jr., Louisville.
R. L. Westover, Williamstown.
W. O. Dawson (W.L.), La Grange.
D. M. M. Phillips, Crab Orchard.
Ervine Turner, Jackson.
W. R. Smith, Hindman.
Gregory Bruce, Middlesboro.

Louisiana

Clarence Pierson, Alexandria.
J. C. Heard, Mansfield.
Joseph P. Skelly, New Orleans.
Thomas A. McConnell, New Orleans.
Wade O. Martin, St. Martinsville.
Harold DeGeneres, Shreveport.
L. U. Babin, Baton Rouge.
John W. Summerlin, Rayville.
Parrish Fuller, Oakdale.
R. W. Oglesby, Winnfield.

Maine

John Clark Scates, Westbrook.
Alton Bartlett, Hanover.
Ralph Cooper, Belfast.
J. Edward Sullivan, Bangor.
Elisha W. Pike, Rockland.

Maryland

Frank A. Furst, Baltimore.
Emerson C. Harrington, Cambridge.
James F. Evans, Elkton.
Stuart S. Janney, Baltimore.
John C. Mencke, Baltimore.
Charles T. Williams, Baltimore.
John W. Leitch, Huntingtown.
Oliver H. Bruce, Jr., Cumberland.

Massachusetts

John F. Fitzgerald, Dorchester.
Mare E. Lucey, Holyoke.
Justus G. Hanson, Northampton.
J. Henry Goguen, Leominster.
Harold D. Donohue, Worcester.
Cornelius F. Cornin, Lowell.
Mary A. Doyle, Salem.
Charles F. Cotter, Lynn.
Joseph J. Borgatti, Somerville.
Patrick J. Duane, Waltham.
Leopold M. Goulston, Boston.
Stanley W. Wisnioski, Chelsea.
Mildred C. Keane, Dorchester.
Arthur A. Hendrick, Brockton.
Grace H. Howe, Fall River.
Mary E. Egan, New Bedford.

Michigan

George W. Weadock, Saginaw.
Charles H. Kimmerle, Cassopolis.
Leonard Jurkiewicz, Detroit.
Justin Whiting, Jackson.
Guy B. Stone, Hillsdale.
Cassius M. Dewey, Sturgis.
William J. Pulte, Grand Rapids.
H. W. Rikerd, Lansing.
Thomas E. Roberts, Sandusky.
Harvey E. Kidder, Ionia.
Henry W. Miltner, Cadillac.
H. A. Chamberlain, Standish.
William L. McManus, Jr., Petoskey.
J. C. Wiskstrom, Norway.
Thomas A. E. Weadock, Detroit.
John W. Anderson, Detroit.

Louis W. McClear, Detroit.
Miss Elizabeth Stellwagen, Wayne.
William Miller, Ferndale.

Minnesota

George P. Jones, Bemidji.
Henry McConnon, Winona.
August Saggau, Ceylon.
Dr. E. E. Novak, New Prague.
T. B. Wilson, Minneapolis.
Martin J. McGowan, Appleton.
Patrick E. McCormack, Duluth.
R. N. Nelson, Breckenridge.
Albert Westrup, Maple Lake.
P. D. Scannell, St. Paul.
J. C. Lenihan, St. Paul.

Mississippi

W. H. Powell, Canton.
M. Ney Williams, Raymond.
E. S. Candler, Corinth.
Mrs. Hermain Dinkins Walker, Senatobia.
William M. Maynard, Clarksdale.
A. T. Patterson, Calhoun City.
C. E. Johnson, Union.
Mrs. A. B. Schaubert, Laurel.
Dr. D. T. Brock, McComb.

Missouri

Samuel J. Ross, Lancaster.
Bart M. Lockwood, St. Joseph.
Henry Chiles, Lexington.
Floyd E. Jacobs, Kansas City.
Homer J. Clark, Harrisonville.
Franc L. McCluer, Fulton.
F. P. Berglar, Clayton.
Oliver F. Ash, St. Louis.
Michael Cullinane, St. Louis.
Ray R. Dolan, St. Louis.
N. W. Brickey, Festus.
James A. Boone, Charleston.
A. J. Hawkins, Eminence.
John S. Farrington, Springfield.
Wiley W. Scholes, Granby.

Montana

Guy C. Derry, Billings.
Thomas Dignan, Glasgow.
Mrs. Otto Simonson, Butte.
B. C. White, Buffalo.

Nebraska

Mrs. Effie M. Byers, Hastings.
J. E. Lawrence, Lincoln.
H. E. Newbranch, Omaha.
Judge James C. Quigley, Valentine.
Judge William C. Cowan, Stanton.
Frank M. Colfer, McCook.
Mrs. Mary B. Farrell, Schuyler.

Nevada

Ed. W. Clark, Las Vegas.
Frances Friedhoff, Yerington.
A. W. Hesson, Elko.

New Hampshire

Iva H. Drew, Colebrook.
George D. Lord, Hanover.
George W. Nutter, Rollinsford.
John T. O'Dowd, Manchester.

New Jersey

John Milton (at large), Jersey City.
John F. Monahan (at large), Newark.
Harry L. Maloney, Mount Ephraim.
Louis A. Repetto (deceased Mar. 8, 1933), Atlantic City.
Amos E. Kraybill, Asbury Park.
George B. LaBarre, Trenton.
Frank Dorsey, Perth Amboy.
Robert H. McAdams, Elizabeth.
Charles S. Gardner, Washington.
Andrew F. McBride, Paterson.
Peter F. Daley, North Bergen.
George A. Ohl, Jr., Newark.
William M. Untermann, Newark.
Charles Ippolito, Orange.
James F. Norton, Jersey City.
Mary E. Burns, Jersey City.

New Mexico

Carl A. Hatch, Clovis.
Mrs. J. L. LaDriere, Las Vegas.
Enrique Trujillo, Chico.

New York

John F. Curry, New York City.
John H. McCooey, Brooklyn.
James A. Farley, New York City.
Herman B. Baruch, New York City.
Charles J. Hardy, Hampton Bays.
Nathan Jonas, Great Neck.

Edward J. Kerwin, Brooklyn.
 Clifton Bogardus, Brooklyn.
 Joseph J. O'Brien, Brooklyn.
 Bernard Turecaino, Brooklyn.
 Rudolph Reimer, Brooklyn.
 Howard E. Jones, Brooklyn.
 Alice Campbell Good, Brooklyn.
 Hyman Schorenstein, Brooklyn.
 Albert C. Fach, Staten Island.
 Harriet May Mills, Syracuse.
 Nathan Hirsch, New York City.
 George E. Olvany, New York City.
 Morgan J. O'Brien, Sr., New York City.
 Robert E. Dowling, New York City.
 Martha Battle, New York City.
 Godfrey Nurse, New York City.
 Nathan Burkan, New York City.
 Mary A. Paladino, New York City.
 Thomas J. McMahon, New York City.
 Edward J. Flynn, New York City.
 John J. Duffy, New York City.
 Walter G. C. Otto, New Rochelle.
 Aloysius J. Bryant, Nyack.
 Henry L. A. Forestal, Beacon.
 M. Edward Silberstein, Catskill.
 Seymour Van Stantvoord, Troy.
 Arthur J. Leonard, Saratoga Springs.
 George B. Smith, Schenectady.
 Daniel S. Foster, Saranac Lake.
 Delos M. Cosgrove, Watertown.
 Albert R. Kessinger, Rome.
 Jesse Jacobs, Oxford.
 William J. Gannon, Syracuse.
 William O. Dapping, Auburn.
 John Reamer, Ithaca.
 Thomas N. Nagle, Webster.
 John B. Abbott, Geneseo.
 Frederick H. Drull, Niagara Falls.
 Harriet T. Mack, Buffalo.
 Harry Yates, Orchard Park.
 Michael C. O'Laughlin, Fredonia.

North Carolina

J. Crawford Biggs, Raleigh.
 A. Hall Johnston, Asheville.
 Thad Eure, Winton.
 E. R. Tyler, Roxobel.
 W. W. Pearsall, Rocky Point.
 Harold D. Cooley, Nashville.
 Fred S. Hutchins, Winston-Salem.
 Cooper A. Hall, Burlington.
 D. M. Stringfield, Fayetteville.
 Rowland S. Pruett, Wadesboro.
 B. F. Williams, Lenoir.
 John A. McRae, Charlotte.
 Phillip C. Cocke, Asheville.

North Dakota

Pierce Blewett, Jamestown.
 P. H. Costello, Cooperstown.
 W. D. Lynch, LaMoure.
 W. H. Porter, Calvin.

Ohio

Josephine McGowan, Canton.
 Blanche W. Johnson, Cambridge.
 Fred J. Heer, Columbus.
 T. E. Dye, Urbana.
 Alfred M. Cohen, Cincinnati.
 I. N. Price, Cincinnati.
 William E. Murphy, Eaton.
 Lafe W. Kunning, Wapakoneta.
 George Geer, Wauseon.
 George E. Hentz, Peebles.
 Bruce B. Gaumer, Marysville.
 Allen Patterson, Findlay.
 Edward J. Barry, Toledo.
 D. A. Rardin, Athens.
 Clayton A. McCleary, Columbus.
 T. D. Krinn, Circleville.
 Judge Arthur E. Rowler, Norwalk.
 Don L. Bing, Columbus.
 Richard Jones, Eagleport.
 John T. Blake, Canton.
 Columbus Ewalt, Mount Vernon.
 George J. Duswald, Scio.
 Manus W. McCaffery, Cleveland.
 Rose L. Tenesy, Cleveland.
 Lockwood Thompson, Cleveland.

Oklahoma

Bess Stubblefield, Vinita.
 R. M. Mountcastle, Muskogee.
 Robert L. Kidd, Poteau.
 T. G. Ramsey, Coalgate.
 Jess L. Pullen, Sulphur.
 Amil H. Japp, Lawton.
 Frances J. Hawks, Clinton.
 Blanche Lucas, Ponca City.

W. S. Livingston, Seminole.
 J. B. A. Robertson, Oklahoma City.
 Mary M. Allen, Leedey.

Oregon

Amanda J. Hart, Clackamas County.
 E. T. Hedlund, Multnomah County.
 Robert A. Miller, Multnomah County.
 Will M. Peterson, Umatilla County.
 R. R. Turner, Polk County.

Pennsylvania

M. L. Benedum, Pittsburgh.
 Ella L. Browning, Boxwood, Rosemont.
 Charles E. Menger, Philadelphia.
 Michael Francis Doyle, Philadelphia.
 Charles S. Hill, Philadelphia.
 William J. O'Rourke, Philadelphia.
 Charles A. Hild, Philadelphia.
 John J. McQuaid, Philadelphia.
 Harry E. Connelly, Philadelphia.
 Frank B. Rhodes, Media.
 Joseph F. Yheulon, Allentown.
 J. Hale Steinman, Lancaster.
 Frank P. Kelly, Carbondale.
 William H. Gillespie, Pittston.
 Edward C. Kantner, Pine Grove.
 John B. Stevens, Reading.
 Simon K. Hoffman, Danville.
 George B. M. Metzger, Williamsport.
 James J. Kane, Norristown.
 Oscar D. Deckard, Richfield.
 Charles S. Donough, Lebanon.
 S. E. Walker, Warren.
 Horace DeY. Lentz, Mauch Chunk.
 Robert E. Glenn, Red Lion.
 Robert F. Hunter, Bellefonte.
 Joseph F. Reich, Meyersdale.
 Samuel A. Barnum, California.
 Charles E. Ketterer, Ellwood City.
 A. H. Swope, Johnstown.
 Eleanor Head Lynch Ballyduff, Greensburg.
 Henry E. Fish, Erie.
 Joseph F. Guffey, Pittsburgh.
 Henry Hornbostel, Pittsburgh.
 Herman Obernauer, Pittsburgh.
 George H. Selzer, Coraopolis.
 John J. Haughey, McKeesport.

Rhode Island

Walter F. Fitzpatrick, Providence.
 Frank E. Fitzsimmons, Lonsdale.
 Luigi Malello, Providence.
 Edouard S. Lafayette, Woonsocket.

South Carolina

Willie Jones, Columbia.
 Claud N. Sapp, Columbia.
 H. K. Townes, Greenville.
 Joseph Maybank, Charleston.
 G. A. Neuffer, Abbeville.
 J. D. Poag, Greenville.
 Paul Hemphill, Chester.
 J. W. Perrin, Florence.

South Dakota

L. E. Corey, Wagner.
 Mrs. Arthur Watwood, Aberdeen.
 Will A. Wells, Webster.
 Henry Brown, Scotland.

Tennessee

H. C. Anderson, Jackson.
 Charles M. Bryan, Memphis.
 R. E. L. Gallimore, Dresden.
 William T. Jones, Nashville.
 W. T. Kennerly, Knoxville.
 James N. McCord, Lewisburg.
 Edward T. Nance, Shelbyville.
 Joe F. Odle, Camden.
 Claude B. Stephenson, Centerville.
 Frank Stokely, Del Rio.
 John S. Wrinkle, Chattanooga.

Texas

Albert Sidney Johnson, Dallas.
 Charles I. Francis, Wichita Falls.
 Dan Gentry, Tyler.
 Mrs. John E. Shelton, Sr., Austin.
 Mrs. John Davis, Dallas.
 R. T. Wilkinson, Jr., Mount Vernon.
 E. J. Mantooth, Lufkin.
 Carl L. Estes, Tyler.
 J. W. Purcell, McKinney.
 Charles McCombs, Dallas.
 Scott Reed, Groesbeck.
 Mrs. Charles J. Stubbs, Galveston.
 John T. Dickson, Paris.
 J. V. Frnka, Columbia.
 Ralph Goeth, Austin.

E. C. Street, Waco.
 Frank Rawlings, Fort Worth.
 R. J. Edwards, Denton.
 Arthur Seeligson, San Antonio.
 H. P. Hornby, Uvalde.
 Milburn McCarty, Eastland.
 N. C. Outlaw.

Utah

Mrs. Clarence C. Neslen, Salt Lake City.
 Mrs. Frank A. Drury, Helper.
 Mrs. W. S. Greenwood, Richfield.
 John F. Welsh, Park City.

Vermont

Stephen M. Driscoll, St. Albans City.
 Grace B. Witters, St. Johnsbury.
 James E. Burke, Burlington.

Virginia

Ashton Dovell, Williamsburg.
 Wilbur C. Hall, Leesburg.
 Robert O. Norris, Lively.
 Daniel Coleman, Norfolk.
 Frederick W. Scott, Richmond.
 F. C. Bedinger, Boydton.
 Maitland Bustard, Danville.
 Robert A. Russell, Rustburg.
 Frank M. Wray, Berryville.
 Charles C. Carlin, Jr., Alexandria.
 William H. Rouse, Bristol.

Washington

William J. Lindeberg, Spokane.
 Paul A. Newman, Tacoma.
 Henry S. Volkmar, Seattle.
 Eldrige Wheeler, Montesano.
 H. C. Davis, Yakima.
 Nella W. Hurd, Seattle.
 Ben Spear, Spokane.
 D. N. Judson, Oak Harbor.

West Virginia

William L. Brice, Wheeling.
 J. Alfred Taylor, Fayetteville.
 H. H. Rose, Fairmont.
 Minter L. Wilson, Morgantown.
 W. Guy Tetrick, Clarksburg.
 Clyde A. Wellman, Huntington.
 George W. Crawford, Williamson.
 J. L. Bumgardner, Beckley.

Wisconsin

William P. Rubin, Milwaukee.
 Leo P. Fox, Chilton.
 Peter Pirsch, Kenosha.
 B. J. Husting, Mayville.
 A. H. Schubert, La Crosse.
 Anton P. Gawronski, West Allis.
 William J. McCauley, Milwaukee.
 Frank W. Bucklin, West Bend.
 L. M. Nash, Wisconsin Rapids.
 Lewis Nelson Kaukauna.
 Ferris White, River Falls.
 Fred W. Kellar, Mellon.

Wyoming

Mrs. Susan J. Quealy, Kemmerer.
 John L. Jordan, Cheyenne.
 Thomas J. Cassidy, Gillette.

COPY OF RESOLUTION ADOPTED AT MEETING OF PRESIDENTIAL ELECTORS, IN THE RECEPTION ROOM OF THE VICE PRESIDENT OF THE UNITED STATES, CAPITOL, WASHINGTON, ON MARCH 5, 1933, FOLLOWING THE RECEPTION BY VICE PRESIDENT AND MRS. GARNER

No. 1

Resolved, By the Presidential electors of the United States of the thirty-seventh Presidential election:

Whereas it will be necessary to pass an act of Congress for the purpose of amending the existing laws to be in accord with the twentieth amendment to the Constitution; and

Whereas it is the belief that the votes of the several electoral colleges of the States should be delivered by electors chosen from each State in addition to the present means under the law; and

Whereas we believe that the Presidential electors should hereafter have an official part in the inaugural of the President and Vice President of the United States, and should assist in preparing the program for said inauguration: Therefore be it

Resolved, That a committee of nine be appointed by the chairman of this meeting, which committee may be increased at the discretion of the chairman, for the purpose of assisting in the preparation of legislation to carry out the purpose and intent of this meeting as herein expressed, and appear before the proper committees of Congress to advocate the same.

Resolved further, That the said committee shall maintain its continuity and remain in existence until the organization of the Presidential electors of the next general election, and assist, if desired, in the organization of that body.

Resolved, That Michael Francis Doyle, of Pennsylvania, be made chairman of this committee.

The resolution was unanimously adopted.

No. 2

Whereas the first meeting of the Presidential electors in Washington to participate in the inauguration of a President in the history of the country is about to be concluded; and

Whereas the loyal and earnest cooperation of the following committee has made this event one of the most outstanding of the inauguration: Therefore be it

Resolved, That the 331 electors assembled hereby express our sincerest thanks and appreciation to: Michael Francis Doyle, of Pennsylvania, who suggested the meeting and headed the committee which carried out the plans; H. Newlin Megill, of Maryland; John J. Doyle, Jr., Philadelphia, Pennsylvania; Miss Mary E. Lille, Tennessee; Miss Besse D. Howard, of Philadelphia; and Miss K. C. Blackburne, of New York, for our splendid welcome during the inauguration of President Franklin D. Roosevelt and Vice President John Nance Garner.

WILSON'S IDEALS NEEDED TODAY

(Address by Josephus Daniels at the exercises held under the auspices of the Presidential electors at the tomb of Woodrow Wilson, Washington Cathedral, Washington, D.C., on Sunday afternoon, Mar. 5, 1933)

Under this stone lies all that is mortal of Woodrow Wilson. It is dust. But there is more than dust here. There is the eternal life of an ideal. Not the man but the spirit that the man was has brought us here. We have come up to this hilltop and to this quiet chamber to capture again if we can something of his teaching, something of his courage and faith to guide us in a period of uncertain drifting and certain doubt. We come here hungry for some portion of the high vision of Woodrow Wilson.

Here in this room of shadow and quietness we may stand for a little while apart from the crisis that faces the world at the foot of this hill, and at the same time take new strength from the spirit of the man who in every crisis—and he met the greatest which shook the world—never hesitated to propose the way of solution nor in every period of distress to offer the remedy essential to restoration.

Does America stand today looking for the safe path to follow to regain the heights of the days of Woodrow Wilson? Do its people grope in darkness for a light for their feet? Do they yearn for confidence and a return to security? Do they look through a glass darkly for light? Do they come distracted from distracted councils? If so, here at the tomb of the greatest prophet of our times and the supreme optimist of our history, they can find the way by following in the footsteps of the noble war President, himself the greatest casualty of that conflict.

First of all we must rid ourselves of the notion that all the calamities that have befallen us have grown from the war in which he led us. Certainly it was a struggle, entered with consideration of its consequences, which took its toll of our best manhood and levied money burdens grievous to bear. But war had little to do with the debacle that has since broken our hopes and destroyed our prosperity. It was not America's consecrated use of the sword that brought us to the ills we bear today. It was the failure after the war to keep faith with the "indomitable spirit and ungrudging sacrifice of our incomparable soldiers" which lies at the bottom of our troubles.

When Mr. Wilson returned from Paris with the covenant of peace the Nation was weary of war and ready not only to put down the sword but also to be lulled into laying aside the high conscience with which the sword had been lifted. It was more pleasant to listen to the promises that if this country would refrain from alliance or association with other nations we could stand apart and reap unheard of material gain. This Midas touch to the American heart made us for a time oblivious "to the proud recollection that it was our precept and example which had in those early days of the never-to-be-forgotten November lifted the nations of the world to the lofty levels of vision and achievement upon which the great war for democracy and right was fought and won."

In the growth of this material spirit, he saw not only the immediate defeat of his own ideals. He looked forward like a prophet to the catastrophe it must certainly bring even upon the material-minded world. Ten years ago he wrote and pointed "The Road Away From Revolution", the road away from the economic collapse which now engulfs us. The world he said had been made safe from the assault upon democracy of an insolent and ignorant Hohenzollern, but democracy remained to be made safe from the insolent and ignorant capitalists who "seemed to regard the men whom they used as mere instruments of profit."

"The nature of men and of organized society", he said 10 years ago, "dictates the maintenance in every field of action of justice and of right dealing; and it is essential to efficacious thinking in this critical matter that we should not entertain a narrow or technical conception of justice. By justice the lawyer generally means the prompt, fair, and open application of impartial rules; but we call ours a Christian civilization, and a Christian conception of justice must be much higher. It must include sympathy and helpfulness and a willingness to forego self-interest in order to promote the welfare, happiness, and contentment of others and

of the community as a whole. This is what our age is blindly feeling in its reaction against what it deems the too great selfishness of the capitalistic system."

We can look back today and see that here was prophecy and we can look back and see, too, that it was received by a world bent upon material gain with no more consideration than is usually accorded to prophets. The blind, the insolent, and ignorant selfishness which had succeeded the idealism of the war rushed on without hesitation to its own ruin.

Is it surprising that the great man who lies here should have cried on the eve of Armistice Day 1923, when he saw this dark future, that "the stimulating memories of that happy time of triumph are marred and embittered for us by the shameful fact that when the victory was won we turned our backs on our associates, refused to bear any responsible part in the administration of peace on the firm and permanent establishment of the results of war won at so fearful a cost of life and treasure, and withdrew into a sullen and selfish isolation which is deeply ignoble because manifestly dishonorable?"

He would not have been the Woodrow Wilson we honor if he had not cried out his indignation at this betrayal of the world. But his was not a spirit long to be fettered by bitterness and hopelessness. From then he came to a serene faith in the victory of his ideals. To the crowd of friends gathered on the same Armistice Day before his residence he said, "I am not one of those that have the least anxiety about the triumph of the principles I have stood for. That we shall prevail is as sure as that God reigns." That assurance gave him joy in his last days.

On the occasion of my last visit to my beloved chief I spoke my own bitterness that the American people had forgotten the sacred promises of 1917 and 1918. Mr. Wilson laid his good hand on my arm and said, "Do not trouble about the things we have fought for. They are sure to prevail. They are only delayed." Then, with the quaintness of expression which gave charm to all he said, he added, "And I will make this concession to Providence—it may come in a better way than we proposed."

He who saw so very clearly never lost his faith. He beheld as few men are ever forced to see his ideals torn down. He looked ahead along the dark road to revolution. Yet he never lost his faith. If we who gather here today to do him honor may find a little of his noble confidence, we can go back from the quietness of this tomb more able to serve our country and our countrymen. We who followed him when he led us into war can fight today for peace and security under the standards of justice and unselfishness which he never let fall. Today for all America and for all the world hope lies in the ideals of Woodrow Wilson, which were never more alive nor more needed than today.

OFFICE EQUIPMENT IN THE OLD HOUSE OFFICE BUILDING

Mr. BYRNS. Mr. Speaker, I offer a resolution, which I have sent to the desk.

House Resolution 196

Resolved, That the Clerk of the House of Representatives is hereby authorized to deliver to the General Supply Committee such office equipment now in the old House Office Building as may be unnecessary, for the use of the Members remaining therein.

The resolution was agreed to.

WILLIAM A. HAWKINS

Mr. COCHRAN of Missouri. Mr. Speaker, I send to the Clerk's desk a privileged resolution from the Committee on Accounts, and ask for its consideration.

The Clerk read as follows:

House Resolution 195

Resolved, That there shall be paid out of the contingent fund of the House to Mrs. William A. Hawkins, widow of William A. Hawkins, late an employee of the House, an amount equal to 6 months' compensation, and an additional amount not exceeding \$250 to defray funeral expenses of the said William A. Hawkins.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their own remarks in the RECORD upon the independent offices appropriation bill.

The SPEAKER. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, there is a great deal that the most of us could and would like to say by way of appreciation and applause of many men and their work as we have

known them during this extraordinary session of the Congress.

Of course, there comes first in our minds the President. His extraordinary performances have made him the first man of the world. There is no living man who holds such a large share of world confidence and esteem as does the President at this hour. [Applause.]

Mr. Speaker, speaking, I am sure, for the entire Membership of this body, I want to mention him who has presided over this body during this session of the Congress, the Honorable HENRY T. RAINEY. His uniform courtesy and fairness to all has made him very much of a favorite with the House. [Applause.]

Mr. Speaker, I desire to pay tribute to the minority of this House. They have, in the main, cooperated to the fullest with the majority in carrying out the President's recovery program. In this connection I should like to pay my compliments to the minority leader, Hon. BERTRAM SNELL. [Applause.] He has distinguished himself not only as one of the first men of the Congress but as one of the first men of the entire country.

I should like also, Mr. Speaker, to pay my respects to the leader of the majority, Hon. JOSEPH W. BYRNS. [Applause.] He has led by persuasion, by kindness; and as a result of the confidence that his colleagues have had in him, it has been easy for him to lead.

I should like, Mr. Speaker, to mention the entire Membership of this body; particularly, Mr. Speaker, do I wish to make mention of this new Membership of this House. They have performed nobly and they have displayed a fine understanding of the meaning and purpose of their being here.

Then, Mr. Speaker, personally, I should like to mention the dean of this body, the sweetest, the gentlest, the finest man I know, the Honorable EDWARD POE, of the State of North Carolina. [Applause.]

I am sure, Mr. Speaker, it is the hope of all that when the individual Members of the House return to their homes they will find an appreciative constituency willing and ready to reward them for the arduous labor they have rendered in this extra session of the Congress. [Applause.]

Mr. SNELL. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Without objection, it is so ordered.

Mr. SNELL. Mr. Speaker, even at this early hour I do not want this session of Congress to adjourn without paying my respects to the majority for the kind and considerate attention they have given us during this session. I appreciate the fact that this has been a strenuous session of Congress. There have been some rather sharp tilts across the aisle, but the best part of it all is that it is simply a part of the day's work, and any feeling always dies with the setting sun. [Applause.]

We have tried to do our part in a manly, straightforward fashion. I think as a whole we have got along pretty well.

I especially want at this time to pay my personal respects to the beloved Speaker of the House [applause], and I especially want to compliment him for his presence to-night, because I know he wants to go to the college of his alma mater, Amherst, for the fiftieth reunion of his class. Whether the House knows it or not, I want to tell you that the college is honoring itself by honoring our Speaker, in giving him the degree of doctor of laws at this time. [Applause.]

I also want to pay my respects to the majority leader and the courtesy he has always shown me, and to you, my colleagues, who are about to depart for your homes for the vacation. I wish you a pleasant and successful summer and hope we shall all return in the fall refreshed and ready to attend to the people's business. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, we are closing the most momentous session of Congress that has ever been held in

the history of our Government. It is unnecessary for me to pay tribute to that great Chief Executive who presides at the White House. Most of us have contributed by supporting him at this special session of Congress, by upholding his hands on every occasion. This Congress has stood by our President, Franklin D. Roosevelt.

This House should not adjourn until we pay our respects to our presiding officer, that distinguished gentleman from Illinois who has so impartially presided over the deliberations of our session and so fearlessly ruled in all our parliamentary procedure, the Honorable HENRY T. RAINEY, of Illinois. [Applause.] While his duties have been onerous as a presiding officer, one man on the floor of this House who has worked indefatigably, who has had the burden of this special session, is our beloved friend, whom everybody on both sides of the aisle loves, the gentleman from Tennessee [Mr. JOSEPH W. BYRNS]. [Applause.]

While the Republicans have rarely cooperated with us, yet there is one thing which I propose to state before the last CONGRESSIONAL RECORD is printed, and that is that I know the gentleman from New York [Mr. SNELL] has not at all times been in sympathy with the obstructive tactics of some of his followers on that side of the aisle, and I am glad to pay my personal tribute to the courtesy of the distinguished minority leader, who was my Chairman of the Committee on Rules for 8 years, the Honorable BERTRAND H. SNELL, of New York. [Applause.] His successor as chairman of that committee is the distinguished gentleman from North Carolina, EDWARD W. POU, who in this session and during the last Congress has presided over the Rules Committee, of which I have been a member for 11 years. If any man here outside of our Speaker and outside of our distinguished majority leader has contributed more in this special session of the Seventy-third Congress to the accomplishment of the program of the President than any other, it is that distinguished dean of this House from North Carolina, Mr. EDWARD W. POU. [Applause.]

Mr. Speaker, one of the most unfortunate events that happened in this special session was that for a month or so one of the most brilliant men and great leaders of this House, one of the men on whom we depended, was unfortunately taken ill. We lost his services for about a month. Some of us had to attempt to pinch hit for him. We were without him for a time, but he came back to us, thank God, and he is now here with us—the gentleman from Alabama [Mr. WILLIAM B. BANKHEAD]. [Applause.]

Something has been said about the new Members of this House. We all love our new Members. We are glad that they are with us. Our session today would not be complete without paying our respects to those new Members of this House who have come into this session. They have already become acclimated to the atmosphere of this legislative body.

Mr. Speaker, in this session of Congress we have made greater progress than was ever made by any party or any administration in any other Congress. We are proud of that record. We have stood loyally behind our great President, and when we finish tonight we shall have no apologies to make. We have accomplished our party program—every promise has been fulfilled, every pledge has been kept. [Applause.]

The SPEAKER. The time of the gentleman from New York has expired.

CHILD LABOR AMENDMENT

The Speaker laid before the House a communication from the Secretary of State of the State of New Jersey, announcing that the legislature of that State had ratified the proposed amendment to the Constitution of the United States empowering the Congress to limit, regulate, and prohibit the labor of persons under 18 years of age.

EIGHTEENTH AMENDMENT

The Speaker laid before the House a communication from C. J. Rogers, Deputy Secretary of State of the State of Wyoming, submitting a correct copy of the minutes of the

constitutional convention held at Casper, Wyo., on the 25th of May 1933, ratifying the proposed amendment to the Constitution of the United States repealing the eighteenth amendment to the Constitution.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes. [Applause, the Members rising.]

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. BYRNS]?

There was no objection.

Mr. BYRNS. Mr. Speaker and Members of the House, I cannot permit this session to adjourn sine die without expressing my heartfelt thanks and my very deep appreciation to every Member of the House on both sides of the aisle for the courtesy and kindness and consideration they have shown to me during this session. [Applause.] I appreciate the patience which the Members have shown toward me, and I want you to know that when we adjourn and each of you return to your home, you will carry with you not only my gratitude, but also my admiration and affection.

I wish to join in the tribute which has been paid to our distinguished Speaker. I never served under a more impartial or fairer presiding officer. I feel that I but express the sentiments of every Member of the House when I say that we wish for him a pleasant recess and that he may return to us in January with that full vigor of health that he now possesses. [Applause.]

I want also to express my appreciation to the minority leader, the gentleman from New York [Mr. SNELL], for the kindness and courtesy which he has shown me. [Applause.] We have worked together during this session with a splendid cooperation and interest in the great legislation which has been passed during these 3½ months during which we have been in session.

May I say I think we are all fortunate in being Members of this the Seventy-third Congress, for in the special session now closing I do not believe there has been in all the history of our country a Congress which has in such a short space of time enacted so many important constructive measures as have been passed by this Congress. We have passed 12 great major constructive measures, all planned and passed with the object of relieving our country from its present economic distress and restoring prosperity, which now, I verily believe, is on the way.

We have the satisfaction of knowing that the tide has turned and that, largely as the result of the legislation we have passed, the individual citizens may look forward with confidence in the future, so necessary to restore our country to that prosperity which it has heretofore enjoyed. Wheat now bringing nearly twice as much as it brought only a short while ago, cotton bringing to the growers nearly twice as much per pound as it was selling for a short while ago, and other products, gives promise to agriculture, which has so long been suffering from depression. It has been a remarkable Congress, a Congress which has followed with unfaltering and ungrudging confidence and loyalty the great leader in the White House, Franklin D. Roosevelt [applause], who enjoys the confidence of the people today in every section of our country to a greater extent, I believe, than any other man in many years. [Applause.]

Washington, when President, was known as the Father of his Country. Seventy-two years afterward Lincoln was its savior, and 72 years thereafter Franklin D. Roosevelt is its preserver from the economic ills which have beset us.

I again express to all of you my best wishes. When you return to your homes I trust you will be received as you should be received, with open arms, by your constituents, and that every one of you will be sent back to the next Congress as a result of the patriotic, loyal service you have rendered to your country during these trying months. [Applause.]

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ROGERS of Oklahoma. Since the new Members have been mentioned, I thought it would be in order that one of them say a word in regard to our leaders before this session of Congress closes. I spoke to the Speaker about it a day or two ago and explained to him what I wanted to say. He said he would give me all the time I wanted. I saw the floor leader and got permission from him. The last few days he has refused to allow Members to speak unless he knew what they were going to talk about.

I want especially to pay my respects to our President, Franklin D. Roosevelt, and to the Speaker of the House, Hon. Henry T. Rainey, and to our floor leader, the gentleman from Tennessee, Hon. Joseph Byrns.

I have not always agreed with these gentlemen, but it has not made much difference in most cases whether I agreed with them or not.

At least three things, I think, have contributed to the success of this Congress. The first of these has been the efforts our leaders have put forward. [Applause.] Do you remember the lines?—

The heights men reached and kept
Were not attained by sudden flight,
But they, while their companions slept,
Were toiling upward in the night.

[Applause.]

The second thing that has contributed to the success of this Congress has been the fact that our leaders have been prepared for their work.

For all thy days prepare, and meet them all alike;
When thou art the anvil, bear; when thou art the hammer, strike.

The third element of success is their desire to serve, their sincerity of purpose.

Review the lives of all the truly great and successful men that ever lived, and you will find that the pronounced, outstanding characteristics of their efforts were sincerity of purpose, an unselfish giving of their best services to the world. They gave generously of their best, and greatness and immortality were their reward. When the call of civilization comes for great men of this kind, the Divine law always provides them.

In closing I quote this short poem, taking this opportunity to show my appreciation of our leaders:

They would rather have a rosebud
As a tribute of today
Than to have the most cherished laurels
When they have passed away.
Then give to them a rosebud,
A rosebud, pink or red;
They would rather have just one today
Than ten thousand when they're dead.

[Applause.]

RESIGNATION OF A MEMBER

The SPEAKER. The Chair lays before the House the following resignation:

JUNE 15, 1933.

HON. HENRY T. RAINEY,
Speaker of the House, Washington, D.C.

MY DEAR MR. RAINEY: I hereby tender my resignation as a Member of Congress from the Fifth Congressional District of Arkansas, to be effective at midnight June 16, 1933.

Very respectfully yours,

HEARTSILL RAGON.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Mr. Speaker, I am quite sure I speak what is in the heart and mind of every Member of this House when I express our regret that our colleague the gentleman from Arkansas [Mr. RAGON] is to cease to be a Member of this House.

I congratulate him upon the fact that he is to become a part of the great judiciary of the country. We know he is abundantly qualified for any position he may hold and

that he will make a great and just judge, as he has made a splendid, faithful, able, and patriotic Representative.

We wish for him a long life and great prosperity. [Applause.]

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H.Con.Res. 24. Concurrent resolution providing that when the two Houses of Congress adjourn on Friday, June 16, 1933, they stand adjourned sine die.

LETTER FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following communication from the President of the United States:

THE WHITE HOUSE,
Washington, June 15, 1933.

HON. HENRY T. RAINEY,
House of Representatives, Washington, D.C.

MY DEAR MR. SPEAKER: Before the adjournment of the special session I want to convey to you and to the Members of the House of Representatives an expression of my thanks for making possible, on the broad average, a more sincere and whole-hearted cooperation between the legislative and the executive branches of the United States Government than has been witnessed by the American people in many a long year.

This spirit of teamwork has in most cases transcended party lines. It has taken cognizance of a crisis in the affairs of our Nation and of the world. It has grasped the need for a new approach to problems both new and old. It has proved that our form of government can rise to an emergency and can carry through a broad program in record time.

I am certain that the American people are appreciative of the work of this special session of the Seventy-third Congress.

Please let me add that the past few months have given to me very special pleasure in the renewal of old friendships and the forming of new friendships among the Members of the House of Representatives. To each and every one of you I send my best wishes for a well-deserved and happy holiday during the coming months.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, announced that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 5389. An act making appropriations for the Executive office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 813. An act to remove the limitation on the filling of the vacancy in the office of senior circuit judge for the ninth judicial circuit; and

S. 815. An act to provide for the survival of certain actions in favor of the United States.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 3344. An act to amend section 14, subdivision 3, of the Federal Farm Loan Act;

H.R. 5909. An act to transfer Bedford County from the Nashville division to the Winchester division of the middle Tennessee judicial district; and

H.R. 6034. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending

June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes.

H.R. 5091. An act to amend section 289 of the Criminal Code; and

H.R. 5661. An act to provide for the safer and more effective use of the assets of banks, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes.

MESSAGE FROM THE PRESIDENT—APPROVALS

A message from the President of the United States announced that on the following dates the President approved and signed bills of the House of the following titles:

On June 9, 1933:

H.R. 1767. An act to authorize the acceptance of certain lands in the city of San Diego, Calif., by the United States, and the transfer by the Secretary of the Navy of certain other lands to said city of San Diego.

On June 10, 1933:

H.R. 4220. An act for the protection of Government records;

H.R. 4812. An act to promote the foreign trade of the United States in apples and/or pears, to protect the reputation of American-grown apples and pears in foreign markets, to prevent deception or misrepresentation as to the quality of such products moving in foreign commerce, to provide for the commercial inspection of such products entering such commerce, and for other purposes; and

H.R. 5012. An act to amend existing law in order to obviate the payment of 1 year's sea pay to surplus graduates of the Naval Academy.

On June 12, 1933:

H.J.Res. 183. Joint resolution extending for 1 year the time within which American claimants may make application for payment, under the Settlement of War Claims Act of 1928, of awards of the Mixed Claims Commission and of the Tripartite Claims Commission.

On June 13, 1933:

H.R. 3511. An act to authorize the creation of a game refuge in the Ouachita National Forest in the State of Arkansas;

H.R. 3659. An act to extend the mining laws of the United States to the Death Valley National Monument in California;

H.R. 5240. An act to provide emergency relief with respect to home-mortgage indebtedness, to refinance home mortgages, to extend relief to the owners of homes occupied by them and who are unable to amortize their debt elsewhere, to amend the Federal Home Loan Bank Act, to increase the market for obligations of the United States, and for other purposes; and

H.R. 5495. An act to amend an act entitled "An act creating the Great Lakes Bridge Commission and authorizing said commission and its successors to construct, maintain, and operate a bridge across the St. Clair River at or near Port Huron, Mich.," approved June 25, 1930, and to extend the times for commencing and completing construction of said bridge.

On June 14, 1933:

H.R. 5329. An act creating the St. Lawrence Bridge Commission and authorizing said commission and its successors to construct, maintain, and operate a bridge across the St. Lawrence River at or near Ogdensburg, N.Y.

On June 15, 1933:

H.R. 4872. An act authorizing Farris Engineering Co., its successors and assigns, to construct, maintain, and operate a bridge across the Monongahela River at or near California, Pa.;

H.R. 5091. An act to amend section 289 of the Criminal Code;

H.R. 5589. An act granting the consent of Congress to the city of Washington, Mo., to construct, maintain, and operate a toll bridge across the Missouri River at or near Washington, Mo.;

H.R. 5645. An act to amend the National Defense Act of June 3, 1916, as amended; and

H.R. 5793. An act to revive and reenact the act entitled "An act authorizing Jed P. Ladd, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt.," approved March 2, 1929.

On June 16, 1933:

H.R. 4589. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1934, and for other purposes;

H.R. 5040. An act to extend the gasoline tax for 1 year, to modify postage rates on mail matter, and for other purposes;

H.R. 5208. An act to amend the probation law;

H.R. 5239. An act to extend the provisions of the act entitled "An act to extend the period of time during which final proof may be offered by homestead entrymen," approved May 13, 1932, to desert-land entrymen, and for other purposes;

H.R. 5389. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1934, and for other purposes;

H.R. 5661. An act to provide for the safer and more effective use of the assets of banks, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes;

H.R. 5755. An act to encourage national industrial recovery, to foster fair competition, and to provide for the construction of certain useful public works, and for other purposes;

H.R. 5790. An act to provide for organizations within the Farm Credit Administration to make loans for the production and marketing of agricultural products, to amend the Federal Farm Loan Act, to amend the Agricultural Marketing Act, to provide a market for obligations of the United States, and for other purposes;

H.R. 5909. An act to transfer Bedford County from the Nashville division to the Winchester division of the middle Tennessee judicial district;

H.R. 6034. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1933, and June 30, 1934, and for other purposes; and

H.R. 5690. An act to legalize the manufacture, sale, or possession of 3.2 percent beer in the State of Oklahoma when and if the same is legalized by a majority vote of the people of Oklahoma or by an act of the Legislature of the State of Oklahoma.

EXTENSION OF REMARKS

SHORT SELLING OF SECURITIES

PORTION OF A STATEMENT OF HON. ADOLPH J. SABATH, OF ILLINOIS, BEFORE THE COMMITTEE ON THE JUDICIARY, HOUSE OF REPRESENTATIVES, MARCH 5, 1933

Mr. SABATH. Mr. Speaker, ladies, and gentlemen, in view of what has come to light in the Senate investigation of J. P. Morgan & Co. and in the case of Charles A. Mitchell, former president of the National City Bank of New York, before the New York courts, I feel it is opportune to call the attention of the country to the fact that, notwithstanding the attacks and criticisms directed against me by certain financial writers because of my persistent efforts to put an end to the activities of unscrupulous investment bankers, which activities are condoned by and actually engaged in by officials of the New York Stock Exchange, my fight against stock-exchange irregularities and abuses, which I began in October 1929, was justified. I feel certain that if President Hoover, the officials of the stock exchanges, and the investment bankers, including J. P. Morgan & Co., had listened to my urgent appeals and requests the country would not have suffered as it suffered in the last 3 years.

I also wish at this time to issue a warning, in view of what is transpiring today, that, notwithstanding the facts that

have been brought to light, the same ruthless, avaricious, and greedy forces are again at work pushing up the prices of stocks and bonds all out of proportion to the improvement in conditions. It appears to me that they are endeavoring to bring about another orgy of speculation and inflation for the expressed purpose of causing another debacle, in order to undo the work of this Congress and cast discredit upon the administration.

Though I am in a measure satisfied with what I have been able to accomplish, it does not even begin to approach the objective which I set out to attain. But I am confident, and once more I serve notice on all those guilty of manipulation, that I shall not be shackled in the next session of Congress and that I shall obtain approval for such a wide-sweeping investigation as will make it possible for us to secure legislation forever prohibiting the destructive and dishonorable practices prevalent on the exchanges.

I regret that neither time nor space permits me to insert in the RECORD all the telegrams and letters that I sent to President Hoover, J. P. Morgan & Co., and the New York Stock Exchange. I shall, however, insert a portion of my statement made before the Judiciary Committee of the House during the course of its investigation of stock-exchange practices, which I feel best sets forth my unceasing fight on the avaricious racketeers of Wall Street:

Mr. SABATH. Mr. Chairman and gentlemen, I fully realize and appreciate the conditions which confront the members of this committee, as well as those of other committees, at this time. We are all going at full speed, trying to enact legislation to relieve the unfavorable and unbearable conditions that exist in the country today.

Therefore, I am going to try to be extremely brief, realizing, as I do, that the House meets at 11 o'clock today, and that the Rules Committee, of which I am a member, and which meets at 10:30 o'clock, has important matters to consider.

In view of my desire to familiarize the members of this committee with the facts concerning the transactions and practices on the stock exchanges, and in the hope that in the near future the members may be able to glance over some of the evidence, I am going to ask leave of this committee to permit me to embody in my statement a few extracts from editorials written by outstanding and uncontrolled financial writers—

Mr. McKEOWN (interposing). Are those very long extracts that you wish to insert in the record, Judge Sabath?

Mr. SABATH. Well, many of them are long; but I will endeavor only to put in short extracts, because I myself have not time to arrange them as I should like to.

Mr. McKEOWN. All right.

Mr. SABATH. I was hopeful that I would have about a day in which to present my facts to the committee and that I could have read some of these extracts and statements; but unfortunately, time will not permit it.

Mr. CONDON. Do these editorials refer specifically to your position in introducing these bills?

Mr. SABATH. I have many that do; but those that I wish to insert into the record are confined to a discussion of the practice of short selling and the abuses on the stock exchanges; some also show that the existing conditions at this time are not all due to short selling—which I concede—but that they are in great measure due to the manipulation by the "bulls" of 1928 and 1929 who created and caused the terrific, criminal inflation of stock-market prices during those years—the same individuals who are the "bears" of 1930, 1931, and 1932.

Mr. CONDON. Do these articles name some of these men or do they just refer to them as a class?

Mr. SABATH. Yes; several name some of these men. But I have up until now refrained from giving the names of men who have been charged with being outstanding "bears."

I have no direct evidence, because I have not examined their books; but I have received many communications charging some of our largest financial institutions and many of our outstanding men with the practice of short selling. But I never wish to attack anyone—

Mr. McKEOWN (interposing). That material will be admitted. Let the record show that that is to be admitted.

Mr. Max Bruell, former stock-exchange member, has this to say in the November 8, 1931, issue of the New York American:

SAYS SHORT SALES NOT JUSTIFIED IN TIME OF DEPRESSION

"Short sales, perhaps economically justified in normal times, become a menace in periods of depression. The attempts of the New York Stock Exchange to restrict short selling are half-hearted. The only effective method, as practiced by foreign bourses, is to insist upon actual presentation of securities prior to their sale. This can be amplified by prohibiting the lending of securities. To facilitate selling of securities held abroad, a foreign central agency could be appointed. Upon receipt of cable advices confirming that the respective securities were duly delivered to the agency, selling orders could be executed.

"Due to public criticism, and in an endeavor of self-preservation, the New York Stock Exchange had adopted a number of

necessitous reforms. The ultimate goal, to reduce the exchange to its normal functions, is as yet far from accomplishment. The governors of the exchange are attempting to popularize their institution. Speeches of the president, carefully prepared, are widely circulated. The machinery of the exchange has even been filmed. The film shows the course of an order from its inception to its settlement. The film, however, does not reveal that quite often customers' orders serve as protection for the private speculations of floor brokers and specialists. To do so with more or less impunity has been their time-worn privilege. The system is detrimental to the client and indefensible.

"As long as the exchange permits its members to act as brokers and as dealers, the assertion on the membership certificates:

MEANINGLESS PROMISE

"That the exchange has been formulated for the purpose of maintaining high standards of honor among its members and for promoting and inculcating just and equitable principles of trade is rather meaningless. It is a lame excuse that without the specialists no market in certain securities would be obtainable.

"The specialists make markets if they feel like it; they play safe.

"The controversy about specialists has cropped up very often, but no action has been taken. Should future Federal or State supervision remove the trading privileges of the specialists exchange seats would decidedly become less attractive. Specialists in active markets have rolled up fabulous incomes. Their profits were derived from the undue advantages held over the general public. The methods of practically victimizing clients in stop-loss orders, subscription rights, part-paid stocks, etc., are plentiful.

"The public lives in a delusion that listing a security on the exchange is an endorsement of its merit. This is utterly unwarranted. The listing committee of the exchange is primarily concerned about the assurance of an open and free market and does not verify the correctness of balance sheets as practiced on continental exchanges. The grossest overcapitalization of companies has not been checked by our exchanges.

PUBLIC EXPLOITATION

"Shall we permit such exploitation of the public to go on forever or shall we move for supervision to bring security issues in line with physical value? Must we continue to permit houses of issue to escape responsibility through the time-worn clause on prospectuses.

"This information, while obtained from reliable sources, is not guaranteed by us.

"Nation-wide extension of ticker facilities and brokerage branches was a mistake. Customers' men have only one function—to rake in commissions. According to recent regulations, they are required to have some experience but many of them would not pass an intelligence test. No charge is being made for market letters. One of our great economists states that they are supplied gratis because they are not worth more. The exchange firms ordinarily do not affix their signatures to opinions furnished; they prefer to let the economist assume responsibility.

"We should be less concerned about the investment value of 1,375 New York Stock Exchange seats than about the wisdom to engage in gambling with all odds against the public.

"If Congress and State will deal with some of the points outlined above, the return of confidence will be speeded."

Mr. B. C. Forbes, editor and publisher of Forbes, who was one of the first to see the disastrous effects of short selling, writes as follows in the November 1, 1931, issue of Forbes:

SHORT SELLING IS NOT TIMELY

"Those who try to send stock prices to perdition by selling them short should be honored as supreme patriots, as saviors of their country. That is the conclusion one almost reaches on listening to President Richard Whitney, of the New York Stock Exchange. Why such benefactors should have been forbidden to exercise their laudable operations for even 48 hours is hard to understand—but not quite so hard to understand as why they were again told to resume depressing quotations.

"It was, we are officially told, 'an emergency' which induced bridling the bears. Apparently 'emergency' conditions lasted only 2 days. You and I and a good many others have been under the painful—very painful—notion that emergency conditions have prevailed considerably longer than 48 hours. Ask the hundreds of thousands of depositors in banks which closed their doors if normal conditions have been restored. Ask millions of unemployed the same question. Ask, also, investors whose income has been stopped. Ask other investors who, on the recommendation of reputable bankers and others, purchased securities at 1929 prices and who have lately found themselves bankrupt.

"Mr. Whitney protested too much about the blessings conferred on the world by bears. A security market without short selling was pictured one moment as unthinkable, impossible. The next moment came the statement that the bond market has existed for generations without short selling. Yet which market has experienced the wildest inflation—the stock market, enjoying the wonderful 'stabilizing' miracles wrought by short sellers, or the bond market not enjoying short selling?

"I, for one, would have had more confidence in buying stocks during the depths of the debacle if aware that quotations could not be slaughtered at any moment by short sellers. What this country has mainly suffered from lately has been fear. Investors would have felt less apprehensive had they known bear-selling was banned. Mr. Whitney's own figures were meant to convey

that the amount of short selling was a mere bagatelle. Yet he argued and argues that this mere bagatelle is of such infinite importance that the New York Stock Exchange authorities will court legislative action rather than comply with overwhelming public opinion.

"Admittedly, a wide-open market is ideal. But to permit short selling during a period of hysteria such as has shaken the financial foundations of this Nation is not ideal in face of mounting public hostility. Even the powerful New York Stock Exchange must, if it is to be allowed to function with a maximum of freedom, take cognizance of the public will."

And in the November 30, 1931, issue of the Chicago Herald and Examiner:

FORBES WAXES WROTH OVER BEAR MANEUVERS

"Good morning! Have you had your daily cry?"

"That greeting is addressed mainly to those identified with Wall Street."

"The rest of the country is preserving its sanity and attending to business in a rational sort of way."

"But the Wall Street world daily conjures up new hob-goblins and runs frantically to cover. The bears never found it so easy to make money, never found it so easy to cause fright, never found it so easy to spread the idea that the bottom is about to fall out of everything."

"Thanks to the secrecy with which short selling is hedged about by the New York Stock Exchange governors, we are kept totally in the dark as to how much bear raiding is going on. The market has every appearance that the bears have been having a perfectly lovely time, with the sky the limit—or, perhaps one should say, hades the limit."

"Of course, did an 'emergency' exist, the stock exchange governors would halt the bears' picnic—perhaps for as long as 48 hours. You may remember that they did that once before. That was when stock quotations first reached the depths they again reached at the end of last week."

"But apparently there is no need whatsoever to ban short selling at this time—in the eyes of the exchange governors. In the eyes of a very large section of the public there is need for stopping short selling until stocks and bonds have reasonably recovered from their ultrapanic prices."

"Incidentally, bonds are distinctly lower than they were when the bears were last prohibited—for 48 hours—from carrying on what President Whitney, of the stock exchange, asks the public to believe are laudable, Nation-saving operations."

"Would it interest the stock exchange authorities were they to learn that not a few investors, although they recognize current quotations as extraordinarily low, refuse to make purchases of stocks under existing conditions, so long as bears are at liberty to knock down any stock they choose to bankruptcy prices?"

"Of course, it may be that the so-called 'restrictions on short selling' have been enforced so rigidly that the public is all wrong in imagining that any short selling whatsoever has been going on. The stock exchange governors know the facts. The customers of the exchange are denied the facts."

"Maybe a few months or a few years from now the exchange authorities will graciously conclude to reveal the truth—after such information is totally worthless."

"The prospect is, however, that the public will call upon their legislative representatives to uncover the facts, not a few years from now but a few months from now. My conviction, based on rather intimate association with financial leaders, is that Wall Street hasn't the slightest conception of the ill-will borne it throughout the continent."

"If the stock exchange governors were more fully informed on this point, I rather think they would do more than they have yet done to stave off political action."

In the Chicago Evening American of February 9, 1932, Mr. R. P. Vanderpoel, financial editor and sincere proponent of the policy of laissez faire on the exchanges, makes this interesting and forceful statement in regard to short selling:

BEAR RAIDS—EXCHANGE MUST ACT—SNEERING TRAITORS—TRAMPLE ON THEM

"Repeatedly of late there have been evidences of deliberate efforts upon the part of organized bear cliques to depress security prices."

"As one of those who have steadfastly argued for the maintenance of a free and open market, and consequently against the elimination of short selling, I feel it a duty to express my opinion, and in the most forceful terms, against permitting any individual or any group to hammer stock prices down at this time."

"I believe in free speech, just as I do in a free market. Yet in war time there are certain restrictions on free speech. A man may not be a traitor to his country."

AIDING THE ENEMY

"We are passing through a period now just as critical as though we were engaged in a great war. It is just as essential that the devastating downward crash of prices—security and commodity—be arrested as it would be to halt the forward march of an alien enemy."

"Yet we are permitting men to spread propaganda just as seditious as anything that might be put out by an enemy. Not only that, but through the stock exchange we have allowed these traitors to train their guns on what appeared to be our vulnerable spots."

"If this condition continues much longer there can be but one end—closing of the stock exchange for self-protection by an outraged nation."

IT WILL NOT

"The United States Government has set up the Reconstruction Finance Corporation as a stupendous effort to check the great tide of deflation that has already resulted in so much suffering and which threatens economic collapse on a world-wide scale. The Government is putting \$2,000,000,000 behind this movement."

"Every fresh onslaught on the stock market makes the work of this corporation just that much more difficult."

"Does anyone believe that the Government will stand idly by and permit a group of sneering, traitorous men 'play' with the stock market for their own personal aggrandizement, disregarding the general welfare of a nation?"

"It cannot and it will not."

"This column has consistently defended honest short selling. Bear raids have always been condemned in the strongest language. Market manipulation of any kind has never been countenanced."

"What do we find at the moment?"

"Unless our interpretation is totally wrong, we find a well-organized group of bears, men whose names have been banded about from coast to coast, very carefully, very cleverly, putting out an increasing line of short stocks. We find the most bearish sort of propaganda emanating from these same bears and their paid agents."

"We find these men planning to profit through their short lines by uncovering specific weak situations and hammering at them in the hope of breaking them and thereby causing such a smash that they may cover their short commitments at a handsome profit."

MUST ACT QUICKLY

"Is this a fanciful picture?"

"We do not believe that is it. Bankers, business men, members of the stock exchange themselves, tell us that it is not."

"If it is a true picture—even approximately true—the New York Stock Exchange must take drastic action quickly or an impatient citizenry will speak through its Congress in no uncertain terms."

CALL OF THE HOUR

"This is no time for trifling."

"The call of the hour is for men of strength, courage, and faith—men who will carry us forward, trampling as they go on the traitors and the cowards."

The following editorial appeared in the Chicago Daily Times on February 24, 1932:

"MEDICINE FOR 'SHORT SELLING' ISN'T STRONG ENOUGH

"The New York Stock Exchange has revised its rules on short selling of stocks, to be effective April 1. The action comes about 18 months too late. What's more, the new rules do not go far enough. Short selling may be restricted a little. In times like these it ought to be abolished. The President and Congress have set in motion many governmental activities, designed not only to stop the depression of values but actually to inflate them. Billions of dollars of public money are involved in the various schemes. The entire population of the country is expected to put its shoulder to the wheel and push for higher values, more business, more employment, and better times."

"But the short seller gambles that these objectives will not be accomplished. He is not an inflationist. He is a deflationist and a depressionist. He bets that things will go lower, not higher. He makes money out of destruction, not construction. He 'sells' a stock at a lower price than the current quotation with the purpose in mind that his 'sale' will depress the market even under the value at which he 'sells.' Then, if his hunch works, as it usually does, he buys it at the bottom price and delivers it to the buyer in his original sale, making a profit."

"But he sells something he does not own. To accommodate him in his gambling, his broker lends to the short seller stock that belongs to another customer which the broker is holding on a margin arrangement. The other customer doesn't even know that his stock is being used this way; often the other customer is the loser in value through the very transaction for which his stock has been put up as dummy merchandise."

"Under the new rules, as announced by President Richard Whitney of the New York Stock Exchange, the broker must secure the other customer's specific written consent to have his stock lent to a short seller. Even under this plan, the short seller is selling what he does not possess, another man's goods. The plan leaves room for manipulation and does not guarantee what the country needs . . . a ban on gambling against prosperity."

"The argument for short selling has been that it provides a 'cushion' for a sagging market, since whenever the bears sell they must later buy back. But the public feels that the need of the day is for prices which reflect, not the results of manipulation, but something close to the actual value of the securities bought. In a period like the present, when millions of families are destitute, due to lack of business and unemployment, short selling of securities means short selling of the United States and its people. It is gambling against their climb up the economic ladder. It is making money out of human misery."

"The stock-gambling fever was largely responsible for the depression in the United States. The 1928 and 1929 stock boom was due to stock gambling that was made possible by credit. The Federal Reserve System could have choked that credit in time to stop the gambling and prevent, or at least minimize the panic."

The Government's banking system did not take the necessary bold step then and stock prices took balloon ascensions. They are now deflated below actual values. Credit should be denied to those who gamble to keep them lower than they should be. All short selling should be stopped in the national emergency."

Now, in my desire to bring as many facts as I could to the attention of the committee, I dictated the following statement last night, which, with your permission, I herewith insert in the hearings:

"Mr. Chairman and gentlemen of the committee, for over 2½ years I have pleaded for an opportunity to appear before the committee in behalf of my bills on short selling and show the destructiveness of this practice and its effect upon the social and economic conditions of the country. And now it is somewhat of a mixed pleasure to appear before you after the destruction which I prophesied has taken place because the President and the administration refused to act on my appeals.

"I shall not waste the time of the committee in dwelling at length on the abuses of 'bull' manipulation and practices in 1927, 1928, and 1929, though I wish to state here that I am fully cognizant of the part they played in paving the way for the greatest economic debacle in the history of our country. Our task at present, and it is a task incumbent upon us, is to deal immediately with the situation now before us—the practice of 'bear raiding' and short selling.

"Today I know that I am speaking for every legitimate agricultural, manufacturing, and business enterprise, as well as for the 20,000,000 men and women who have lost their life savings; for the hundreds of thousands of small business men and small manufacturers who have been wiped out; and for the millions of depositors and the thousands of widows and dependents who have been made penniless today by the greatest crime ever committed in our country: a crime that is responsible for throwing 8,000,000 people out of employment and, therefore, the cause of want and misery to millions of American homes. And lest I forget, a crime that is directly responsible for the death of 20,000 men of the Nation.

"Mr. Chairman and gentlemen, in requesting favorable action on my bills, or any bill that the committee may see fit to report favorably to prohibit or restrict short selling, I wish to emphasize that I am not opposed to any legitimate transactions or to any orderly or free market of stocks and bonds. But I do disagree with the assertion that without short selling we would not and could not have a free and orderly market to sell. I am confident that the elimination of professional manipulation would aid the legitimate transactions and the orderliness of the market. Furthermore, I deny that by prohibiting short selling the stock exchange would be forced to close, as Mr. Whitney stated before this committee. I do believe that the volume of business on the stock exchanges would be reduced and that the profits of the brokers and gamblers would be minimized, but on the other hand, I believe that business in general would be stabilized and confidence restored.

"When I appealed in 1929 to the President, the Governor of the Federal Reserve Board, the leaders of the administration, and the governors of the various exchanges to stop the practice of short selling, because the coming events were already casting their shadows and it appeared as though an economic crisis was fast approaching, I was assailed and ridiculed by the writers and economists controlled by Wall Street and by the majority of the brokers. Today, after 2 years and 4 months of patient but persistent effort, I am pleased to say that I have won over a great number of these people to the proposition that short selling is an unmitigated evil and should be prohibited.

"Within the last year Mr. Whitney, president of the New York Stock Exchange, has made three stirring speeches in defense of short selling, which have been broadcast throughout the entire Nation, and has had a half million copies of the same printed and distributed throughout the country. Even a superficial examination of these speeches, as well as those delivered before your committee by Profs. S. S. Huebner and Joseph Stagg Lawrence, will show that they have been carefully prepared; and in addition it is quite evident, from the speeches themselves and from the testimony presented by Mr. Whitney's counsel, that no expense has been spared to secure the best legal talent available to conduct this defense of short selling. But notwithstanding the ability of these men and their adroitness in handling an obviously unfavorable situation, they have failed, in my opinion, to convince any informed person, except stock-exchange officials, short sellers, and brokers that short selling is expedient or beneficial.

"On page 8 of the written statement which Mr. Whitney read before this committee, he states that 'if there had been no short selling of securities, I am confident that the stock exchange would have been forced to close many months ago.' Mr. Chairman and gentlemen, I doubt very much whether the exchange would have closed if short selling had been prohibited, and I question Mr. Whitney's sincerity in making this statement; but oh, what a blessing it would have been for the Nation if the stock exchange had actually closed in 1928. Lives would have been saved; banks, factories, and shops would still be open; and above all, the people of the United States would not have been fleeced out of hundreds of millions of dollars during the years of 1928 and 1929, for there would have been no ballyhooed 'Hoover bull market' with its artificial rigging of stock prices, and there would not have been hundreds of new stock-market millionaires born at the expense of the working people. But please remember

that the men who engineered this orgy of inflation, the 'bulls' of 1928 and 1929, have become the 'bears' of 1929, 1930, 1931, and 1932, and that only a small number of many have been directly responsible for these manipulations, first, on the 'bull' side, and, in the last few years, on the 'bear' side.

"Mr. Whitney and his scholarly aides have endeavored to show that the stock-exchange manipulations have little or no effect upon the trend of business and that stock-exchange prices are an effect rather than a cause. And in regard to the effect of short selling upon the trend of the market, Mr. Whitney reached the heights of eloquence by saying, 'that it does much to smooth the waves, but does not affect the tide.' And Professor Lawrence stated Wednesday, March 2, that the stock exchange does not influence business and that there is no definite correlation between stock-market prices and the trend of business, and showed that in 1927, 1928, and 1929, while business was on the down grade, the prices of stocks were going up to unprecedented heights. Now, if the stock prices on the exchanges at any time represented true value, and if they were the result solely of the law of supply and demand, I am certain that they would have followed the trend of business. The lack of correlation between stock prices and the trend of business during these years, as shown on the charts prepared by Professor Lawrence, was the result of criminal manipulation on the part of the professional gamblers interfering with the natural law of supply and demand. In this connection permit me to read an extract from a speech I delivered on the subject in 1929:

"In keeping with this policy, ex-President Coolidge during his administration began an advertising campaign of prosperity, which Mr. Hoover followed, proclaiming that the resources of the United States were still untapped, that business conditions were showing improvement each year, and that savings were increasing. As stated in a New York World editorial:

"* * * After a sharp decline following a report of a huge increase in brokers' loans, Mr. Coolidge amazed even Wall Street itself by announcing that neither he nor Mr. Mellon saw any danger in the expansion of brokers' loans * * *"

"This kind of propaganda continued even after it was pointed out that depression had set in in many lines and that stocks were selling at levels ridiculously out of proportion with their earnings. But notwithstanding this warning, many other similar statements were issued from time to time to imbue the public with the confidence that stocks would never react but would keep on climbing to greater heights in this so-called 'Hoover era of higher prices.'

"The beautiful enticing picture painted by the administration forces, who would not listen to the warning voice of economists or the threat of rapidly rising brokers' loans, furnished a ripe field for corporate promoters. New corporations were organized for exploiting purposes, old corporations split up their stocks, gave so-called 'rights to purchase additional stock', and all the old tricks and many new ones were used. No trouble was encountered in listing these issues on the various old and hastily organized new exchanges. Interest rates increased. Country banks were lured into sending their cash to New York for use as 'call loans.' Corporations sent to the 'call-loan market' not only their huge surpluses, which should have been distributed among stockholders, but also the moneys received by increases in capitalization, which had been obtained for development and expansion.

"The people, impressed with the assurances of the administration, were easily taken in, and buying of all kinds of stocks reached new levels daily. Large corporate interests, with their capital stock increased by millions of shares, easily induced even their own employees, by means of alluring reports, to become 'partners' in these great industries, and every conceivable scheme was resorted to in order to unload these stocks at artificially created prices on employees, their families, and the public. Then came the pyramid of pyramids—the investment trust—a new medium for obtaining millions upon millions of dollars from a misled and inflamed public.

"Nearly everyone was in. Now, for the first time, the Federal Reserve Board served notice that brokers' loans were excessive and must be decreased. Rediscount rates were increased; interest rates soared; credits were curtailed and moneys gradually withdrawn.

"Conditions were ripe, and the Wall Street pirates, the 'shorts', were ready. They were not going to mold or construct but to hammer and pound to destruction. The first drastic decline was not enough. The conspirators continued unmercifully to throw upon the market thousands upon thousands of shares of stocks which they never owned with the sole purpose of destroying the market value of securities in order that they could repurchase them at their own prices and reap the richest harvest in the history of the Nation.

"Yes; business started on the down grade in 1927, as Mr. Whitney and Professor Lawrence stated, because the people started to invest in stocks and bonds. The business men, the manufacturers, the professional men, in fact all classes of people, withdrew their savings from the banks and in many instances from the building-and-loan associations to buy securities, being encouraged in this by the leaders and financial prophets of the Nation. And what was the result? Just this. By the fall of 1929 most of the available cash had disappeared, because it had been ruthlessly and brazenly taken away from the people and out of circulation. The country, in fact, was drained dry of liquid money, and with this draining went the purchasing power of the country. Business and industry were left stranded, because the banks and the brokers demanded additional collateral and payments.

"I believe it is clear to any thinking person that the stock exchange has had a potent effect upon the existing conditions and that to a great degree it has been responsible for the crash and the panic from which the country is now suffering. But, lest it may appear to any person that this statement is entirely too subjective or unfair, I quote from a leading French periodical which surely expresses an objective point of view toward this matter:

"The main theme of conversation these days in all civilized countries is: What happened in Wall Street? How is it possible that the richest country in the world should threaten the stability and integrity of the commercial and industrial life of two hemispheres? Who is responsible for this unheard-of cataclysm?"

"For weeks already most disconsolate messages are coming from New York and each message is more disheartening than the previous one.

"On October 20 it was stated that the spectacular crash of the stock market had ruined tens of thousands of small speculators and involved a depreciation of security values variously estimated at from ten to fifteen billion dollars. It was added that groups of leading financiers met to consider the situation, which affected every part of the United States.

"On October 24 it was reported from New York that Wall Street experienced the greatest of all stock-market crashes, that 12,800,000 shares were sold within a few hours, that the supreme crash came with a vengeance and surpassed anything that the most gloomy had predicted. The estimated loss of values was given between five and ten billion dollars.

"On October 28 a second and still greater break in the foremost American stock market took place; it was intimated that sales during the day totaled 9,200,000 shares and that billions of dollars were again dropped in quick time in spite of reports that heavy support by bankers was forthcoming.

"On October 29 it was reported that the crash of the day before, characterized as the greatest in history, was no more the greatest, that 16,400,000 shares were sold involving losses of \$60,000,000,000. It was stated that the stock-market crash wiped out more fortunes and made more paupers than the terrible slumps of 1907 and 1920.

"All the great New York banks could do, however, was to mobilize their professional bankers. Mr. Charles Mitchell, of the National City Bank of New York, Mr. Francis H. Sisson, vice president of the Guaranty Trust Co., Mr. Alfred P. Sloan, president of the General Motors Corporation, have made bullish statements in which they reassured the world that they were "bigger bulls than ever" and that "recessions resulting from the action of the market will not be violent or of long duration."

"The United States Government also thought it opportune to reassure the public. Its spokesman, Dr. Julius Klein, Assistant Secretary of Commerce, and an authority on economics, was directed by the President to assure the millions of anxious American listeners through wireless transmission regarding the crash on the stock market that "regardless of regrettable speculative uncertainties, the industrial and commercial structure of the Nation is sound."

"But, up to the middle of November, there was no "come-back" in Wall Street. It is generally admitted that about 5,000,000 people have been speculating and that approximately \$200,000,000,000 were lost; that is at an average of \$40,000 each.

"Now, how was it possible? Well, for the benefit of those who have not read the first issue of Paris-New York, we shall reprint in part what Grau-Wandmayer said in May last, in his article *The Orgies in Wall Street*:

"It is impossible to let pass in silence the gigantic rascalities of a gang of men, mostly international pirates, who are the dominating figures in that pandemonium called 'Wall Street' and who are on the best way not only to loot 120,000,000 Americans, but to defraud a whole world, to undermine the very foundations of the whole economic structure of all countries; who are debauching millions of honest men and women to the detriment of struggling nations and whose only object is to plunder and to steal.

"Aided and abetted by scurrilous politicians, Wall Street sharpers have coined a slogan that 'America is enjoying unusual prosperity', and under these false pretenses they have succeeded in causing an inflation of values, which is surpassing the most optimistic dreams of windbags and financial tipsters and the hopes of charlatans offering their shoddy financial wares.

"From 8,000,000 to 12,000,000 shares are being turned over daily on New York exchanges and over counters and the money required day by day for gambling purposes amounts to \$10,000,000,000.

"Never in the history of any country has such a horde of men and women with little capital and financial experience been lured to the center of speculation, and never in the history of any country was gambling so boldly and officially encouraged as in the United States during the last few years."

"The author of the above-mentioned article further cited serious authorities who claimed that the pretention of those who indirectly influenced the great public to gamble by constantly telling that the country is prospering as never before was untrue and misleading.

"Said Grau-Wandmayer:

"A short time ago, no less an authority than the National Industrial Conference published the results of the investigation of 30 trained statisticians operating under the guidance of said Na-

tional Industrial Conference, which shows that the 'prosperity' of the United States during last year was spotty in character and that there was a decidedly marked contrast between the extraordinary high level of financial activities in Wall Street and the lower volume of general business. It was stated in the report that available statistical data for December in January last do not indicate any marked change for better or worse in the general business situation which characterized the past year as a whole. Furthermore, complete statistical information made it clear that, so far as prevailing measurements of business go, 1928 was a year of less than normal growth in general business activities in the United States.

"The year was notable only for a few months of high activity in iron and steel, in automobiles and related industries, and in building construction.

"It is now being conceded that the 'prosperity' in the United States is only a paper prosperity with stock gamblers taking all the profits. The people as a whole are not only no better off than they were years before, but the middle classes are being pauperized through well-known process of inflation."

"There cannot be the slightest doubt about it that the Wall Street disaster will ruin business in all parts of the world and that we may face prolonged hard times. The collapse was so titanic and far-reaching that its catastrophic results cannot yet be grasped.

"In former market panics only relatively few persons were affected. Stock speculation in former times was confined to a small portion of population. At the time of the great deroute 17,000,000 people were registered as stockholders.

"Now, what is the United States Congress going to do about it?"

"The trouble is that the majority of American legislators speculate at various times on various exchanges, and that the so-called 'financial leaders' are fundamentally dishonest. All those bankers who tried to oppose or actually defied the action of the Federal Reserve bank which tried to discourage speculation have acted in bad faith. We wish to mention only the nefarious role played by the president of the National City Bank of New York, Mr. Charles Mitchell, who boldly denounced the restrictive action of the Federal Reserve bank tending to curb speculation.

"The National City Bank of New York, that greatest bank in the country, is particularly unlucky in its selection of men to whose supposed integrity people are intrusting their money. It must be remembered that one of its former presidents was responsible for the fact that the American people have lost nearly a hundred million dollars in Russian securities; that his successor, Mr. Stillman, was involved in a tremendous personal scandal before the courts in New York; that the National City Bank's sugar speculations in Cuba resulted in almost ruining that country, so dependable on Wall Street. Now, it is its present first executive, formerly its first bond salesman, who tried to prevail on professional gamblers to defy all warning, to hold on, because his bank profited so enormously by lending money on exorbitant rates and also by inviting the banks of the world to divert the funds intrusted to them for legitimate purposes and to send those funds to the City Bank for speculative broker loans. The National City Bank had to close in 1923-24 about 40 branches in all parts of the world, because people distrusted that bank's management, and now the same bank is again penetrating foreign countries looking, as it seems, this time for foreign capital to support Wall Street speculators.

"We regret that lack of space does not allow us to give to our American readers a short review of some of the foremost European papers regarding the New York Stock Market disaster. It would be interesting and instructive. These papers are mostly reserved in their utterances, but the gist of their comments is "Cave Americanem."

"In 1929 the officials and directors of large corporations, being well aware that securities were selling far above their intrinsic value, began to sell 'against the box' to protect the gains made in the value of the stock they held—stock that had been gyrated to dizzy heights by 'wash' sales, false reports of fabulous earnings, pool manipulations, and misleading financial reports. Mr. Whitney naively disclaims any knowledge of such practices and asks for proof. I must state that my evidence is purely circumstantial, yet such factual evidence as exists—and make no mistake about it, gentlemen, it exists—is confined to the exchange members themselves. And how, I ask you, can one derive any knowledge of a corporation unless one has access to the records? These records are proof, and this explains Mr. Whitney's solicitude in preventing an examination of the exchange records.

"Professor Lawrence stated that he sympathized with the poor unfortunate short sellers; he gave us figures of the cost of short selling and endeavored to show us what the short seller contributes. That being the case, my bill will protect the short seller, and he should have no complaint. Professor Lawrence also pointed out that the unlisted stocks and the stocks not sold short suffered as great a deflation as those sold short. It is amusing for me to note what little respect these professors and New York lawyers have for the intelligence of the Members of this House. Do they not know that these unlisted stocks and bonds naturally follow the trend of the listed stocks and that bonds have suffered because many people in despair have been forced to sell their bonds and unlisted stocks rather than sacrifice the listed stock which they bought at the boom period with the encouragement of our financial and political prophets? Does Professor Lawrence feel that we do not know that the value of bank

stocks is bound to be affected when billions upon billions of deposits have been withdrawn from the banks and from the legitimate business channels?

"In addition, he has stated that there are 10 'bulls' to 1 'bear.' 'Up to a year ago the percentage was much greater, but due to the publicity which the 'bears' have received the ratio on the 'bear' side has naturally increased. And this, I believe, is another important reason why short selling should be prohibited or restricted without delay.

"There are other and more urgent reasons why we should legislate in this regard before it is too late. Thousands of people in an attempt to recoup their losses have again been 'taken in' and deprived of their last penny. It is to protect those who have lost everything and are in despair and who will be tempted to take long chances in order to recover their losses that we must curb this vicious practice. And, above all, it is to prevent a recurrence of the cataclysm in which we now find ourselves; a cataclysm which robs a people of their finer qualities and in passing leaves them cinderlike—hard, scarred, and misshapen. The great mass of the American people will never forget the haunting memory of these years and will censure us if we do not act, and act quickly."

Although you may or may not agree with me that it is a fair statement, yet I do not believe it brings home to you gentlemen all of the facts that I should like to have you know. Therefore I shall just ramble along and give you an outline of my efforts to correct this evil.

Short selling, gentlemen, is not a new question with me. I have been opposing it for more than two decades. However, it was not until 1929, when conditions appeared timely for a gigantic social and economic upheaval, that I began to attack this practice in earnest. I have been through several panics and crises and was acquainted with the conditions leading up to them as well as the part played by the short sellers. Gentlemen, we look with horror upon the ghouls who slink about under the cover of darkness to rob the dead. Yet these men, under a cloak of respectability, move about spreading false rumors, preying upon the fears and shortcomings of men, and breaking down this confidence of the people in our industry, our institutions, and our Government. The ghouls rob the dead; these men rob the living of their life savings and the Nation of its lifeblood. And yet nothing is done about it. Some day posterity will look upon the stock-exchange manipulations and practices of 1928-32 as the greatest crime committed upon the people of the Nation, and will hold those who had the power to stop these practices responsible for the great catastrophe that has occurred.

You are undoubtedly aware of the fact that the wealth of the Nation, due to the manipulations in stocks, has been reduced by nearly \$150,000,000,000; that the stocks which are listed on the New York Stock Exchange and other exchanges are worth only 20 cents on the dollar; and that although their former value was about \$170,000,000,000, today it is about \$32,000,000,000. And when we take into consideration that in this terrific crash over 20,000,000 of our people have been imposed upon and made nearly penniless, then you will agree with me, I know, that we have permitted conditions to exist which should have been prohibited long ago.

In November 1929, when I saw what was going on, I wired the President, asking him to stop this abuse. I also sent telegrams to the chairman of the Federal Reserve Board, the Secretary of the Treasury, and the presidents of the stock exchanges.

And a few days afterward the officials of the New York Stock Exchange issued the so-called "questionnaire", requesting brokerage houses to make reports of the short sales. Of course, you know that the market immediately righted itself, and that it went along that way for 2 weeks until the officials saw fit to rescind the ruling; and then again the crash continued.

Mr. CONDON. What was that date? Will you put that in the record now?

Mr. SABATH. That was November 14. Now, may I insert here in the record, Mr. Chairman, my telegram to the President and to the board of governors of the New York Stock Exchange?

Mr. McKEOWN. Yes.

CHICAGO, ILL., November 12, 1929.

His Excellency, HERBERT HOOVER,

President of the United States, Washington, D.C.:

Today's New York press dispatch states that the professionals are still selling short. I am satisfied that 99 percent of the American people feel that this outrageous destruction of the small investors has gone far enough and that immediate steps are needed to save the Nation from the disastrous conditions that are bound to follow. It is the consensus of opinion of well-informed men that you, Mr. President, should call upon the financiers of this Nation to stop profiteering and formulate and carry out a plan to save the Nation from dire calamity.

A. J. SABATH.

CHICAGO, ILL., November 12, 1929.

The BOARD OF GOVERNORS,

The New York Stock Exchange,

New York City, N.Y.:

Today's New York press dispatches state that short selling is increasing. In view of conditions I express the opinion of many well-informed men that the board, having power to stop all short selling, should do so immediately, since the existing dangerous

conditions demand such a step and may be helpful and beneficial to the entire Nation. Failure of the board to act may bring about conditions the seriousness of which no one can foretell and for which the board will be held responsible.

A. J. SABATH.

At that time the officials claimed that they did not know of any short selling, but later on I will be able to show that the professional short selling began early in the fall of 1929, when all of the insiders, namely, the officials and directors of large corporations, who were aware of real conditions, were selling "against the box." There is no question that thousands upon thousands of shares were sold in this obviously unfair and unjust manner.

Now, to my mind the action of these officials and directors was not only unfair and unjust but criminal; it was like playing with the working people, who were asked to invest and did invest their funds, with loaded dice.

And they had the President and Mr. Mellon and others tell the people to come in and buy stocks—that stocks were cheap and would go higher; that is, while they themselves were selling—thus obtaining money from millions of American citizens under false pretenses. And I am satisfied that if these individuals were brought before any unbiased judge and this evidence submitted, the court would be obliged to find them guilty of a crime. Why, we convict people every day for obtaining a few hundred dollars on false pretenses. But here we have thousands of cases where the American people have been mulcted out of billions and billions of dollars, and no one has been convicted.

Now, the fact is, Mr. Chairman and gentlemen, that I have continued to harass the stock-exchange officials and Mr. Whitney with my telegrams and letters. And I have appealed to the President, and, in fact, everyone who I thought would help me stop this abuse, including the Postmaster General and the Attorney General. I ask leave at this time to insert these telegrams and letters in the record.

Mr. McKEOWN. Those will be admitted in the record.

(The telegrams and letters referred to and subsequently submitted by Mr. SABATH are as follows:)

CHICAGO, ILL., December 26, 1929.

His Excellency HERBERT HOOVER,

President of the United States,

Washington, D.C.:

For the purpose of restoring confidence and stabilizing business, industrial leaders of the United States have pledged themselves to cooperate; but a small coterie of gamblers willfully and deliberately, through short-sale manipulations, are not only undoing your constructive efforts but are further demoralizing business and general conditions. The exchanges which have it in their power to stop this destruction by stopping the tremendous short selling are indifferent to your efforts and the welfare of the country. In order to bring about your aims, I feel you should demand cessation of these purely gambling ruinous activities of the destructive forces. The large number of genuine investors of this country who own more than 90 per cent of its securities outright can demand that their values are protected against vicious manipulation and that their peace of mind is protected so that they may continue their work unharassed.

A. J. SABATH.

CHICAGO, ILL., October 11, 1930.

BOARD OF GOVERNORS,

New York Stock Exchange,

New York, N.Y.:

GENTLEMEN: A year ago, before the crash, I wired you that in the interests of the Nation all short selling should be discontinued. A few days later you issued a questionnaire to your members as to the loanings and borrowings of stock and market conditions improved. But within a few weeks you withdrew the questionnaire, with the result that another wave of short selling ensued, and is still continuing to the detriment of the entire country.

I have tried in every way by congressional action and through the administration to put a stop to the destructive practice of short selling but failed to obtain any cooperation at that time. You have permitted, sanctioned, and even approved of this infamous practice. Therefore I view with some degree of satisfaction the report in today's newspapers that you have declared war on the "bears." But instead of war, it is merely an apologetic request upon the organized destroyers of our stability, commerce, and business to be careful as their mass and collusive bear raiding.

This, to my mind, will not satisfy the American people. They now demand that not only the concentrated but all short selling cease, if not for all times, at least long enough to give business and industry a chance to recuperate from the Nation-wide depression and unemployment. I am convinced that this demand will not subside until this destructive practice ceases.

Neither you nor your shrewdest publicists can successfully deny or contradict the fact that these very manipulators in 1927-28 forced the prices of securities to unjustifiable heights and in the latter part of 1929 started the short-selling campaign, utilizing every conceivable rumor to aid them in their treasonable action which has brought about the greatest, most destructive financial tornado in the history of our land. A storm which wrecked hundreds of banks and financial institutions, closed thousands upon thousands of businesses, destroyed thousands of factories and

plants, thereby forcing out of employment millions of our citizens, and causing untold want and misery.

But this is not all. The life earnings of from ten to twenty millions of citizens were swept away; the very lives of hundreds of men have been taken; thousands have been driven to insanity. All this should and could have been avoided if your exchange and similar institutions had the slightest interest in the country's welfare.

I again call upon you to stop immediately all short selling, if not for the country's sake then do it for your own, as failure on your part to act may eventually stop not only short selling but all gambling transactions on all the stock exchanges and boards of trade.

Very truly yours,

A. J. SABATH.

CHICAGO, ILL., October 16, 1930.

His Excellency HERBERT HOOVER,
President of the United States, Washington, D.C.

DEAR MR. PRESIDENT: A year ago, before the crash, I called your attention to the approaching alarming conditions and advocated and pleaded for a cessation of the disastrous pool, short-selling practice.

Therefore I read with some satisfaction in today's press of a conference you held with the New York Stock Exchange officials regarding short selling and the investigation of stock-exchange transactions by the Department of Justice. The report indicates that they question the Government's power to stop this prosperity-destroying practice.

No one can successfully deny today that the stock crash, to which you alluded in your December message, was responsible for and aggravated the conditions that have brought about the wrecking of hundreds of banks and financial institutions, the closing of thousands upon thousands of businesses, the destruction of thousands of factories and plants, thereby forcing out of employment millions of our citizens and causing untold want and misery.

It is known to be a fact that the New York Stock Exchange can curb short selling by the issuance of an order that all loanings and borrowings of stocks cease. This will bring short selling to a minimum. If the stock exchanges have any interest in the welfare of the Nation and in the reestablishment of confidence, they will, if not for the country's sake, then for their own sake, issue immediately such an order without questioning the power of the Government to stop this nefarious practice.

This in a great measure will eliminate uncertainty and will have a tendency to reestablish confidence, which is so sadly needed, for the resumption of the legitimate business of the country. Please be assured that my activity against these destructive shorts is prompted only by a sincere desire to improve the deplorable conditions of the Nation.

Permit me to remain, respectfully,

A. J. SABATH.

THE WHITE HOUSE,
Washington, October 17, 1930.

Hon. A. J. SABATH,
House of Representatives, Washington, D.C.

MY DEAR MR. SABATH: Your letter of October 16 has been received and will be brought to the attention of the President.

Sincerely yours,

LAWRENCE RICHEY,
Secretary to the President.

CHICAGO, ILL., June 10, 1931.

BOARD OF GOVERNORS,
New York Stock Exchange, New York, N.Y.:

Notwithstanding your questionnaire on borrowed stocks, the newspapers continue to call attention to the bear raids which are causing continuous uncertainty and fear and are making impossible reestablishment of confidence; therefore I again urge in the interests of the Nation as well as of your institution to stop all short selling, as the situation is serious and you should do your part to relieve conditions.

A. J. SABATH.

CHICAGO, ILL., September 23, 1931.

To His Excellency HERBERT HOOVER,
President of the United States, Washington, D.C.

MY DEAR MR. PRESIDENT: I again take the liberty of asking that the governmental facilities be prohibited to the unlawful and criminal activities on the part of the professional short sellers who, beyond any doubt, are responsible for the great panic. No evidence of my position is necessary other than the statement on short selling of Mr. Whitney, president of the New York Stock Exchange, made the day before yesterday:

"During the present emergency it would tend to bring about a condition of demoralization in which prices would not fairly reflect market values."

I feel that it has been clearly demonstrated that if short selling ceases confidence can and will be restored and business resumed. I repeat, the Government has the power to stop this unlawful—yes, criminal—gambling practice.

Yours very respectfully,

A. J. SABATH.

THE WHITE HOUSE,
Washington, September 25, 1931.

Hon. A. J. SABATH,
Chicago, Ill.

MY DEAR MR. SABATH: Your letter of September 23 has been received, and I have placed it before the President. He has read it with interest.

Sincerely yours,

LAWRENCE RICHEY,
Secretary to the President.

CHICAGO, ILL., September 23, 1931.

Mr. RICHARD WHITNEY,
President New York Stock Exchange, New York, N.Y.

DEAR MR. WHITNEY: I was ready to congratulate you on your splendid and straightforward statement regarding short selling made on last Monday but I read today that the order banning short selling has already been rescinded.

In view of what you yourself have said about the demoralizing effect of this practice, I cannot conceive of any reason for this rescinding order.

For 2 years I have appealed to your patriotism and good citizenship to stem the growing depression by using your efforts to stop the destructive practice of selling short. Your statement and the 2-day ban helped considerably, the market reacted favorably and saved the situation when Great Britain suspended the gold standard.

I believe that a continuance of the restriction of short selling will be a great factor in helping to reestablish confidence in the people and in the restoration of business, and I hope that you and the governors of the exchange will see your duty clear to again ask your members to refuse to accept short-sale orders, thereby helping the entire Nation.

It is within your power to do this, and by so doing you can forestall legislation that will go away beyond the prohibition of short selling.

Very truly yours,

A. J. SABATH.

CHICAGO, ILL., October 5, 1931.

Mr. RICHARD WHITNEY,
President of the New York Exchange,
New York City.

DEAR SIR: More than 2 years ago—even before the stock-market crash—I appealed, supplicated, and finally demanded that short selling, and particularly professional short selling, be stopped, feeling at the time that unscrupulous gamblers would take advantage of the then impending depression. I pointed out that in order to save the Nation from financial chaos and misery it was absolutely imperative to prevent, or at least restrict, short selling, for tremendous short selling was bound to affect not only stocks but bonds also, and thus impair the position of most of our banks, which held much of these securities as collateral.

These appeals I have reiterated on various occasions since then, but to all of my appeals you either have turned a deaf ear or have attempted to defend short selling as a necessary "brake" on "dangerous inflation." Yet during the period of extreme inflation, from 1925 to 1929, inclusive, short selling as a "brake" was of little or no consequence.

To be fair, I must concede that on November 12, 1929, or thereabouts, you did send out a questionnaire to the members of the exchange regarding the scope and extent of the short interest, though it is my recollection that the questionnaire, probably because it centered hostile attention on the large short sellers, had a very favorable effect on the market, which changed for the worse again almost as soon as the questionnaire was withdrawn. I must concede, also, that you did request, on the day preceding Britain's abolition of the gold standard, that short selling should cease temporarily; though the result was as I expected—the market reacted favorably, notwithstanding disquieting news from London. In both instances it was obvious to me that when short selling was prohibited the market seemed to adjust itself favorably.

In view of the alarming conditions, I feel it is imperative that short selling should cease immediately. The extreme inflation and the present deflation caused by professional short selling is responsible for the closing of 2,000 banks, has thrown more than 8,000,000 people out of employment, has sent thousands of business men into bankruptcy, and has brought misery and dissatisfaction to the entire Nation.

When I began my crusade against unmitigated "bear" operations 2 years ago, a majority of the financial publicists and economists, influenced by the avaricious professional short sellers, retarded my efforts. Today, however, not only enlightened economists and unservant newspapers but that same apathetic group are beginning to realize the destruction that has been done. There is no question that the matter of the prohibition of short selling will be taken up in the next session of Congress.

Before Congress convenes, however, I am hoping that you will see the justice and righteousness of my position and restrict short selling of your own volition. Failure on your part to heed my warning to stop short selling may result in a demand to suspend all trading on the stock exchange until strict regulatory laws are enacted.

Very truly yours,

A. J. SABATH.

CHICAGO, ILL., December 1, 1931.

Mr. RICHARD WHITNEY,
President New York Stock Exchange,
New York City, N.Y.

The current issue of Barron's states: "Meantime short selling has lost none of its vogue with the rank and file. The practice is general on all sides, so easy and so prompt have been the results." Wall Street tipster services disseminated by the vast majority of the brokerage houses throughout the United States in the interests of the shorts are endeavoring to create fear in the minds of the people against the approaching session of Congress; all with the deliberate intent to destroy whatever confidence there still remains. By immediately prohibiting short selling you can easily put an end to this vicious destructive propaganda and save the Nation, as well as your own institution, from complete demoralization. This action is absolutely necessary, inasmuch as your so-called "restrictive measures" have signally failed, as is stated by the best informed authorities on Wall Street.

A. J. SABATH.

Mr. SABATH. Thus it can be readily seen that I have done everything humanly possible to make the stock-exchange officials and the administration realize the destructiveness of short selling and the need for prohibiting it, at least, until conditions return to normal.

Now, Mr. Chairman and gentlemen, I shall try to bring home to your minds these vicious practices, as I view them, as well as I can; and I hope you will bear with me.

At the beginning all I received for my efforts in annoying them with those communications was condemnatory letters, mostly emanating from the offices of the brokers on Wall Street and LaSalle Street.

But finally Mr. Whitney realized that the people were beginning to take notice, and so in 1930 he began to defend his position. His first speech in defense of short selling was delivered in my city [Chicago] on October 10, 1930, just about a year after I started my crusade. He delivered the next one at the Hotel Astor on September 17, 1931; the third at Hartford, Conn., on October 16, 1931; and the last on December 15, 1931.

Mr. LA GUARDIA. That was at Syracuse, was it not?

Mr. SABATH. That was at Syracuse. All of these speeches were broadcast over the radio, and every stockbroker was requested to listen in, and, in addition, every investment house received a special communication from Mr. Whitney informing it that copies of the speeches would be forthcoming and asking that it make a general distribution of these speeches to all customers and board-room habitués.

Mr. CONDON. Of course, you do not condemn him for that, do you? He had a perfect right to make out his own case, did he not?

Mr. SABATH. No; I do not. But what I say is that he appeared here a few days ago, directly and indirectly defending the practice of short selling.

Mr. LA GUARDIA. And doing more than that, Mr. SABATH; not only defending it, but justifying it and urging it as a necessity for the accomplishment of business.

Mr. SABATH. Yes; and he and the professors who have been sent down here by the stock exchange, notwithstanding the fact that they did not expressly say so—

Mr. CONDON (interposing). Well, Professor Lawrence did.

Mr. LA GUARDIA. And so did the other gentleman.

Mr. SABATH. Yes; perhaps so. In response to my inquiry addressed to the Wharton School of Finance and Commerce of the University of Pennsylvania as to whether or not Professor Huebner really represented the university, as he originally stated when he was here, and as I expected, I received the following letter from the dean:

UNIVERSITY OF PENNSYLVANIA,
Philadelphia, February 20, 1932.

Mr. A. J. SABATH,
House of Representatives, Congress of the United States,
Washington, D.C.

MY DEAR Mr. SABATH: Your inquiry of the 19th instant has been received. As stated in the press, Prof. S. S. Huebner appeared before the Judiciary Committee of the House of Representatives on behalf of the Stock Exchange of New York. He had not been delegated to speak for the university.

Sincerely yours,

EMORY R. JOHNSON.

Mr. LA GUARDIA. Well, I think in fairness to Professor Huebner, Mr. SABATH, it should be made clear that he said he was of the faculty there; and I asked him if he was a consultant, and he said, yes; he was a consultant; and I asked him if the stock exchange has asked him to come here, and he said, yes. Is that not so?

Mr. CONDON. Yes.

Mr. SABATH. Well, I was not present.

Mr. LA GUARDIA. There is no doubt that he came here in a professional capacity.

Mr. SABATH. That is all right. I was not present when you asked him those questions.

Now, Mr. Whitney and these experts lay great stress upon the fact that this practice is permissible and that it is legal. I concede that where there is delivery some of the courts have held that it is legal. But in all instances where there is no intent of delivery the courts have criticized it and have declared it to be pure gambling. In this connection, I have several cases here which I wish to embody in the hearings, though I wish I had the time to read the severe criticisms made by some judges. I am embody-

ing these cases, and there are three or four of them, merely to offset the statements which have been made that all courts have declared that short selling is legal and valid and that they have looked upon it with favor.

(The citation of cases reads as follows:)

"A short sale is not per se illegal as a gambling transaction: *Boyle v. Henning* (121 Fed. 376), *Appleman v. Fisher* (34 Md. 540), *In re Taylor* (192 Pa. 304).

"However, such a transaction is illegal if an actual sale is not contemplated and the real intent is to speculate in the rise and fall of prices: *Riordon v. McCabe* (341 Ill. 506), *Hurd v. Taylor* (181 N.Y. 231).

"The case of *Riordon v. McCabe*, supra, recently decided by the Illinois Supreme Court, would, in the light of the transactions held on the Chicago Board of Trade, make a great part of them mere gambling, being, in fact, bets and not contemplating the delivery of any property of any kind.

"Another important case on this subject decided by the Supreme Court of the United States (*Clews v. Jamieson*, 182 U.S. 461) reads in part as follows:

"If, however, under the guise of a contract of sale the real intent and purpose of both parties is to speculate in the rise and fall of prices and the property is not to be delivered at the time fixed for delivery and one party is to pay the other the difference between the contract price and the market price, the whole transaction must be considered as a wager and invalid."

"The reason for this rule is well stated by an early case (*Melchert v. American Tel. Co.*, 11 Fed. 193) in one of the district courts of the United States:

"Such a dealing amounts to a mere speculation upon the rise and fall of prices. It required no capital except the small sums demanded to put up margins and pay differences. It promotes no legitimate trade. Any impecunious gambler can engage in it with infinite detriment to the bona fide dealer. It enables mere adventurers at small risk to agitate the markets, stimulate and depress prices, and bring down financial ruin upon the heads of the unwary. * * * Black Fridays are its legitimate progeny."

"Other cases might be cited, all to the same effect. A case, *Hurd v. Taylor* (181 N.Y. 231), which may be said to be the leading case in that State, clearly holds that a so-called 'short sale' may be conducted on the exchange the same as any other sale; but there is this well-understood rule that is found in this case and every other case which approves the short sale, that there must be a delivery of the stock. If the delivery is not made and such is not in contemplation by the parties, then the transaction is a wager. If it is understood that the broker keeps the stock so purchased in his name and never places it in the name of the customer and deals with it as if it were his property and keeps the gains and losses in a set of books which are the final basis of settlement, and the parties do not have in mind to do anything other than pay in cash the difference at the end, which in truth describes thousands of accounts, then such dealings do not come within the approved rule of short selling of any court of any State, but are described in all the cases as gambling."

Mr. LA GUARDIA. Mr. SABATH, only yesterday our colleague from New York, Mr. OLIVER, put in the record a decision rendered by the Supreme Court of the State of New York in the latter part of February—after Mr. Whitney had testified before this committee—characterizing these practices as to short selling—

Mr. SABATH (interposing). I cannot see how any honest judge or court can rule that it is legal or valid. Why, any rational person knows that short selling is nothing but pure gambling.

Mr. OLIVER. Judge SABATH, would you prefer to have us ask you questions as you go along, or would you prefer to go ahead with your statement uninterrupted?

Mr. SABATH. Well, I am trying to answer their defense first.

Mr. OLIVER. Then I do not want to disturb you; you may proceed.

Mr. SABATH. And when I get through with that I shall be glad to answer questions.

You have heard them say so often that short selling acts as a "cushion." The trouble with us is that many Members of the House are so busily engaged with their manifold duties that they are misled about these things.

Mr. Whitney, able man that he undoubtedly is, must hold the members of this committee and the people of the Nation in contempt by submitting figures purporting to show that the total short interest at any one time was insignificant when compared with the total amount of shares outstanding and by expecting them to draw the only inference—that short selling is of no consequence. I believe he said that at the height of the panic the ratio between the amount of shares sold short and the total amount listed was about one eighth of 1 percent. But why Mr. Whitney has chosen to compare the numbers of shares sold short with the total amount is indeed difficult to understand. Certainly it would be more a manifestation of common sense to compare the total short sales with the floating supply, or, of infinitely greater value and import, the total short sales with the total long sales on any given day. It has been stated that the market was never short at any one time more than 4,000,000 shares and that this small amount could not possibly affect the movement of millions of shares. To reason thus is to betray a lack of knowledge of trading. It must be plain that no short sellers would be so foolish as to spread short over the entire list of securities, many of which are seldom traded in during the year. The truth is that "bull" and "bear" operations are concentrated on a few pivotal

and volatile securities which are pushed up and down at will. The rest follow naturally enough.

Every short sale is made with the deliberate intent to destroy whatever commodity or stock that the short seller may sell. A short seller is not a producer. A short seller is a destructive individual; he is trying to destroy a thing that another man owns or produces. And I can hardly grasp the thought that we should have permitted such practices for so many years.

Mr. CONDON. May I ask you a question there?

Mr. SABATH. Yes.

Mr. CONDON. In that connection, may not the reason for it be this, that the short seller is trying to get stocks back to a value which he considers is fair, rather than the inflated values that he finds those particular stocks have when he starts his operations? In other words, is he not using his judgment as to what should be the true value of the stock? That is a question that I should like to have you answer.

Mr. SABATH. No short seller ever has the interest of a particular commodity or stock in mind. His mind is occupied with the question, how much money can I make on that particular deal? His aim is to make money; do you understand?

Mr. CONDON. Yes; but—

Mr. SABATH (interposing). And he sells short, not to equalize the prices, not to adjust the conditions, but to make money.

Mr. CONDON. May I suggest that that is the motive of all men of business—to make money, and as much as they can?

Mr. SABATH. This is not business, but a destructive practice; because anyone, even a fool, can destroy; but it takes a man of ability to help to build, to construct.

Mr. CONDON. Well, what do you think of the men who build up to such inflated values that many fools rush in to try to get some of that "easy money"?

Mr. SABATH. Now you have asked me something that I am mighty pleased to answer. I have no excuse for, and am ready to condemn the men who willfully and deliberately inflated values of the stocks. But I believe you will find that they are the same men who today are selling short; that they were the "bulls" in 1928 and 1929; and that they are bankers and officers of corporations. They are men who stand high in our communities. They go to church on Sundays and give little donations here and there to the poor. They are the men who have accumulated millions upon millions of dollars at the expense of thousands of widows and dependents who today are homeless and penniless.

I say that these men who caused the criminal inflation and who are destroying today should be publicly censured and restricted in their activities; and I am trying, if that be possible, to restrict them in their infamous operations.

Mr. CONDON. And that, you say, includes short selling and also selling long on the market?

Mr. SABATH. All professional manipulation, gambling, and pool action.

Mr. CONDON. Then the operations of all kinds on the stock exchange ought to be forbidden?

Mr. SABATH. No. I am not opposed to legitimate sales; and there is no question that a great number of the sales made are legitimate. But is it necessary to sell a certain stock 10 times every month, or 3 times a day? Is it necessary to turn over the total stock issued by a company every 4 days—as was the case in the J. I. Case stock in 1931? That is gambling. I do not object to a legitimate stock exchange or market place; but do we need to have three or four or five million shares, or ten million shares, of stock sold in a day? That is a professional market.

I want a man who owns stock to have a chance and an opportunity to sell it at the market—not an artificial and criminally manipulated market but a legitimate market.

Now, I have something here that might interest you in connection with that; and I ask you whether you think it is necessary to sell millions of shares of stock every day to create a legitimate market?

I have here a statement from a gentleman named A. V. Shaw; he states:

"The entire common capitalization of a well-known company listed on the New York Stock Exchange was sold 94 times on the stock exchange in 2 years, in 1930 and 1931. The commissions alone on this turnover amounted to over \$8,000,000, or more than the entire issue was worth at the close of 1931."

Now, do you think these were all legitimate sales? No one is gullible enough to believe that they were. This was a clear-cut case of gambling, nothing else but dishonest gambling; and that, gentlemen, is what I am trying to stop.

I will tell you why these gentlemen of the stock exchange are so much interested in maintaining a free and open market, as they choose to call it. It is not so much because they are interested in providing a ready market for securities, as Mr. Whitney would have you believe, but rather because they are interested in continuing the activity that such a market represents. A free and open market means activity, and activity means business in the form of commissions and loans. Do you know that in 1929 the brokers' commissions and interest charges on loans amounted to \$959,000,000? That sum, I believe, speaks for itself, and no expression of solicitude for the customer by Mr. Whitney or the gentlemen sent here by the exchange can mitigate the importance and significance of these figures.

Mr. YATES. What year was that, Mr. SABATH?

Mr. SABATH. 1929. Now, permit me to insert here the number of shares listed, the market value of them, the percentages, and the cost of operation. These figures were not compiled by me, but by Mr. E. C. Riegel, of New York.

The statement referred to was subsequently submitted by Mr. SABATH and is as follows:

New York Stock Exchange record, 1929

Number of shares listed.....	942,492,072
Sales of shares.....	1,124,608,910
Market value of sales.....	\$112,460,691,000
Brokers' loans (average constant).....	\$6,000,000,000
Commissions to brokers on stocks.....	\$449,843,564
Commissions to brokers on bonds.....	7,550,790
United States and New York revenue charges.....	44,984,356
Interest charges (average 7.62 percent).....	457,200,000
Total brokers' charges to customers.....	\$959,578,710
Dividend yield on all listed shares (average 3¼ percent).....	\$3,654,978,957
Brokers' charges on stocks (compared to market price).....	percent..... 0.85
Ratio of brokers' charges to dividend income.....	percent..... 26.00
Net dividend return.....	percent..... 2.40

"The above figures are not absolute, but are approximately correct and reveal a picture the stock exchange does not care to have revealed. It shows that by pyramiding prices and charges the stockholders' income during the boom was reduced to the small percentage of 2.40, or about one third of what it is now during depression. Of course, the stockholder who did not 'trade' did not suffer from this shaving process. On the other hand, a man who ran a 'trading' account of about \$1,000 per week, with a weekly turnover, paid 52 times 0.85 percent, or 44.20 percent of his capital. With this sort of capital bleeding it is obvious that listed stocks must sooner or later develop a list, and that from an income standpoint, if 'traded' in upon the exchange, are a very poor buy. What the scalping process of the exchange is worth to the members may be seen from the price of a membership, which in 1929 sold as high as \$625,000. With 1,100 members at that time the 'bookie value' of the New York Stock Exchange was \$687,500,000. Today, with prices down, dividends high, and 'trading' small, the racket is valued, according to a recent sale of a seat, at about 25 percent of the 1929 value. In other words, the more the stockholder gets for his money the less a seat on the exchange is worth and vice versa."

It is amusing to note how far some gentlemen will go in trying to defend short selling. If my memory serves me, there was Professor Huebner, who said, "Oh, yes; that will prevent a man who is away from his home and owns shares of stock from selling them."

Mr. Chairman, this is not a short sale. I do not object to such a sale. In this case the man owns the stock, and the stock exchange can easily adopt a rule stating that when a man is away from his place of business or is traveling he can have additional time to deliver such stock. You understand that, I hope. I do not propose to deprive a man so situated of an opportunity to sell, it matters not where he be.

Mr. Whitney and others assert that stock prices are the result pure and simple of the great economic law of supply and demand and that they are an expression rather than a cause of this depression. Permit me to say that I disagree with Mr. Whitney and his gentlemen. In theory the stock prices should reflect the law of supply and demand and should be an effect rather than a cause. Yet a cause they are, for the natural law applies only to a condition where there are no unnatural machinations to interrupt it. Would any person deny that "wash sales", pool operations, misleading financial reports, and the circulation of false statements interfere with the law of supply and demand? I hardly think so.

Mr. Chairman, there was nothing to prevent short selling in 1927, 1928, and 1929. Why did not short selling do then what is claimed for it now? The answer is simple. The individuals who really determine the trend of the market and who are now "bears" were then "bulls." They were no more interested in equalizing prices or stabilizing the market than they are now as "bears." Ask the small short sellers who in 1928 and early in 1929 sold short in the belief that stock prices were too high—which, in fact, they were, selling in many instances more than 5 to 10 times their value—what happened when they went against the trend of the market. You will find that nearly all of them were thoroughly beaten and cuffed around. Ask them whether their sad experiences have taught them anything. I am confident they will say, "Do not trade against the trend of the market", to put it more correctly, "Do not trade against the trend created by the big operators."

The exchange, says Mr. Whitney, regulates all possible wrongdoing. Of course, it is difficult to understand just exactly what Mr. Whitney means, for he has a delightful way of being ambiguous. Oh, I have no doubt that when there is an apparent irregularity on the part of some member or brokerage house, for example, when some widow is swindled out of her life savings, heroic measures are used to punish the offenders. However, when cases of irregularities or wrongdoing are not so apparent—and I should say that a majority of the irregularities are of this nature—little is heard of punishment meted out, if any at all. Take, for instance, this question of "bear raiding."

In his broadcasts and talk before the committee Mr. Whitney was profuse in his statements that the exchange, while opposed to any restriction on short selling, is doing everything in its power

to prevent "bear raiding." Yet, during the course of his testimony before the committee, when he was asked how many individuals were punished by the exchange for "bear raiding" in the last 2 years, he made the startling statement that, although there had been many alleged instances of this practice, the committee on conduct could find no evidence of a single violation of the rules of the exchange in this regard, and therefore that no one had been punished.

Frankly, gentlemen, I am more interested in action than I am in profuse expressions of action. But I find it difficult to understand how it is, in the light of what has happened in the last 2 years, that this committee on conduct can find no evidence of this practice. Day after day editorialists and reputable financial writers inveigh against this vicious practice, and yet there is no "bear raiding." It is, of course, quite possible that there has been, and is, some measure of overstatement in these newspaper reports and editorials, but I am convinced that such information would not be published unless there was some basis in fact.

Mr. Whitney also stated that the exchange is extremely watchful in preventing corners, among other things. And in his speech, broadcast from Hartford, Conn., on October 16, 1931, he said, in reference to the ban that had been placed on short selling directly after Great Britain had gone off the gold standard, that "within two hours after short selling was forbidden, the governing committee found there was a real danger of technical corners and of crazy and dangerous price advances."

I must admit that I cannot follow his reasoning. I have a list of securities picked with reference to their volatility, and only in one instance has the oscillation been more than five points. If that constitutes a "crazy advance", I should like to know what the officials of the exchange thought of the advance in the stock of the Vanadium Corporation in 1929 when it was gyrated from \$37 to \$145. It appears quite evident to me that there was some form of irregularity here; that some group of individuals had cornered the floating supply and had pushed the stock up to the limit. The same may be said of the extraordinary movements of the stock of the Simmons Co. and the United Aircraft Co., not to mention a host of others. Yet I have no recollection of any investigation being held in regard to these apparent irregularities.

Short selling, said Mr. Whitney and Professors Huebner and Lawrence, is not the cause of the depression; the underlying cause is the forced liquidation. And as proof of their contention they submit figures showing that in the bond market, where short selling is practically nonexistent, the decline in the value of bonds has been almost as severe as that in the value of stocks. Now, no one, I believe, denies that liquidation was a factor in the bond market and that there was liquidation in the stock market and that, consequently, liquidation has a casual relationship to this depression. But what I deny is the thesis that it is the underlying cause of the depression.

It was the incessant and wanton destruction of security and commodity values by short selling that caused, and is prolonging, the depression. And it is the knowledge and the fear that security and commodity values can be knocked to perdition at will by the short sellers that deters people from investing. And it is this same fear that has caused the liquidation that Mr. Whitney so naively says is the cause of the depression. Prohibit short selling and thereby dispel the fear of huge losses, and liquidation, without question, will cease.

Now, I am forgetting—and this is the point I want to bring home to you gentlemen: I realize that they are trying hard to justify a condition. And I am going to put in the record that in September 1931 I again wired Mr. Whitney and made it clear to him that if the exchange did not stop short selling of its own volition Congress would force it to do so. In that wire I said:

"If not in the country's interest, in your own interest stop short selling, at least for the time being, so as to give the country a chance to revive."

And on the next day—or was it the same day?—Great Britain went off the gold standard. You remember that. Most of the stock exchanges closed. The New York Stock Exchange was about to close; but in the morning the governors met. Now, I know that they did not want to issue an order prohibiting short selling that day; but it was a question of closing the stock exchange for a few days or banning short selling. What did they do?

They put in an order prohibiting all short sales, in an effort to prevent the terrific crash which they expected would ensue from the unfavorable report that Great Britain had gone off the gold standard.

And what was the result? Instead of a crash there was a decided upward movement. I do not know how severe a crash there would have been if the exchange officials had not banned short selling, but there is every reason to believe that it would have been the worst in the history of the exchange. You see the effect, gentlemen, of the prohibition of this practice. A report is sent out, "No short selling", and instead of there being a crash the market reacts upward. And when the reaction is so pronounced, what do you think they do? Rescind the order. To protect the investors? Not at all. They are afraid that the prices will go to such heights that the short sellers will receive a deserved whipping. They rescind the order to protect the short sellers. The action of the stock-exchange officials makes it so clear that my position has been a correct one that it is not necessary for me to spend more time replying to their futile apologies for their action. They have convicted themselves by that very act, and they stand convicted before the country.

Mr. McKeown. Judge Sabath, how much more time do you want? We are compelled to go to the House early today.

Mr. SABATH. Let me say that I am grateful to you for this opportunity and that I will close shortly; and, inasmuch as I have been given the privilege of inserting some of these papers, I will not detain you much longer. I am inclined to think, gentlemen, that you are commencing to feel that I am right on this question.

Mr. SPARKS. Judge Sabath, I do not believe that you should assume that we are "commencing" to think that. I think that is an opinion some of the members may have had for some time.

Mr. YATES. I understand, Judge Sabath, that you are discussing the various justifications that have been introduced here; and one of the justifications which they have advanced was the stabilization of the market. And you made the point, as I understand you, that in 1927, 1928, and 1929, they had the power to stabilize and they did not stabilize.

Mr. SABATH. Why, of course—according to that theory they could have done that by selling short at that time. But it did not work that way; so it is obvious that their contention is not worthy of serious consideration.

Mr. McKeown. Well, is it not a matter of fact, Judge Sabath, that the shorts were out of the market at that time, and it went over the long side?

Mr. SABATH. Mr. Chairman and gentlemen, I have tried to point out to you this fundamental fact: That all of the present-day "bears" were the "bulls" of 1928 and 1929, the same persons who forced the prices of stocks to such unreasonable heights; that they are men who are not interested in the effects of their activities so long as they accumulate money. They are a destructive force because they throw our economic system and therefore our social system out of adjustment.

Mr. McKeown. In other words, they take the side that they think they can make the most money out of at a given time?

Mr. SABATH. Yes; and of course they are on both sides at different times.

Mr. SPARKS. Perhaps this has been shown in some of the testimony given before the committee; but do you know what the proportion of short selling is, on an average, as compared with the long selling?

Mr. SABATH. That depends on the news they have for dissemination. If they have a chance to send out a lot of detrimental news which will affect the market, the short selling is much greater. I am of the opinion, from evidence that I have before me and information that I have received from the insiders, that more than 50 percent of the buying and selling is done by the professional traders; and most of this in the last 2 years has been short selling. The statistics that Mr. Whitney gave us cannot be taken into consideration, because a great number of short sales are covered during the same days, and these sales do not appear in the figures which he submits. Do you understand?

Mr. SPARKS. Yes.

Mr. SABATH. They liquidate. These shorts, as you no doubt know, do not take any chances. You know the "sure-thing" gambler does not take any chance; his reasoning is that no matter how small a profit, it is still a profit.

Mr. CONDON. You have not any evidence of that statement that the shorts do not take any chances, have you? Now, Mr. Whitney made a remark to the effect—

Mr. SABATH (interposing). That they are all "broke"?

Mr. CONDON (continuing). That very few of them come out of the market eventually with a profit.

Mr. SABATH. It is for that reason that I am going to ask early action, and I shall tell you why: The outside shorts—that is, those individuals not closely connected with the exchange or with corporations—have not made money; they have lost it, because they are naïve enough to believe that they can go in and compete with these professionals and that they can sell short and make money out of it. But it is only the inside fellows, the floor brokers, the professionals—and there are only a few of them who control the situation—that make money. Ninety or ninety-five percent of those who go into the market on the long or short side of the market eventually lose everything.

Mr. CONDON. It amounts to this: That the outside fellows, the little fellows, who are sometimes "bulls" and sometimes "bears", generally wind up by being "lamb" [Laughter.]

Mr. SABATH. Yes; they are all "boobs." But in reply to Mr. Whitney's statement relative to all "bears" being "broke", permit me to insert the following statement written by Mr. Leslie Gould which appeared in the Chicago Evening American on February 25, 1932:

"If the 1932 bears stick to their announced intention, they may upset that old adage quoted by Whitney, that none of the big shorts in the old days died millionaires."

"Since the 1929 market crash the bears have taken rolled-up paper profit of upward of \$2,000,000,000, with half of it going to European plungers. In this country 10 bears, it is said, have piled up upward of \$600,000,000."

"Here's about the way the \$600,000,000 profits is divided:

No. 1 bear	\$200,000,000
No. 2 bear	150,000,000
No. 3 bear	50,000,000
No. 4 bear	50,000,000
No. 5 bear	30,000,000
No. 6 bear	25,000,000
No. 7 bear	25,000,000
No. 8 bear	25,000,000
No. 9 bear	10,000,000

"Of the 10 above, 1—no. 9—died late last year. He had covered nearly all his short lines before his death, so he beat the game."

"The other nine are very much alive and kicking. They are the ones who have stepped out of the market for the time being. . . ."

"The bears who have clambered to the sidelines are not bullish. . . . They believe there is real danger of legislative action against short selling, both in securities and commodities. . . ."

Mr. SPARKS. Do you think there would be a persistency in short selling if these people lost about every time and not ever make a profit?

Mr. SABATH. They would not be there. [Laughter.] Because that is their business; they go there in the morning and watch for the "boobs" and the "lamb" to make their bets, and then they come in. They know what orders have come in during the night; who must sell; what the conditions are. They go over the reports—there are 7,000 shares of this or that stock that must be sold. Yes; they know that it must be sold by a bank, or by some fellow; and they will go in and start to sell in advance.

Mr. Whitney says that the short seller cannot sell for less than the last day's prices. Do you remember when he made that statement? And he also said that one cannot sell short for a figure less than the previous long sale. Now, in one breath he says that any restriction on short selling will interfere with the free and open market and in another admits that the exchange is voluntarily restricting the practice itself. But aside from this contradiction, Mr. Chairman, if short selling be proper, if it be helpful to the market, if it be beneficial to the country, why should the exchange pass such rules? There is only one answer: All of these rules have been passed with one purpose in mind—to forestall congressional regulation. And though they may present some difficulties to the small short seller to surmount, they do not deter the big "bear" operators in their activities.

Oh, yes! Mr. Whitney issued a statement saying that there will be a more stringent rule imposed by the exchange on the short sellers, and that from now on everyone will have to sign an order agreeing that his stock may be loaned. We are told that the order will go into effect April 1. Now, let us see: What is April 1? Is it not "April Fools' Day"? Well, I think that is just what this order is—a hoax to fool the people, to fool you, Mr. Chairman and gentlemen, and everyone, so that you will give up your efforts to legislate on this question.

But I wonder why that order was issued? I understand that a few days before the statement of that ruling appeared in the press, Mr. Whitney had a conference with the President, though this is not the only conference which the President has had in this regard; for right here I want to be fair and say that I also conferred with him on this question of short selling some time ago—

Mr. CONDON (interposing). How long ago?

Mr. SABATH. Nearly a year ago. Yes. And he criticized short selling—

Mr. CONDON (interposing). Did he say that publicly, or just in a letter to you?

Mr. SABATH. Oh, publicly; he criticized short selling in a letter that was published—this occurred about the time the press first carried reports that Russia had sold 7,000,000 bushels of wheat short.

Mr. CONDON. That particular statement of his referred only to short selling on the commodities exchange, did it not?

Mr. SABATH. I know; but it also showed, at least to some extent, his inclinations and that he was beginning to realize that short selling was an unmitigated evil.

And I warned him on that point. I told him what he could do to protect the interest of the American wheatgrower. It is to be regretted that he has not followed his original statement and helped me to bring about this legislation, as he has in other matters. This is not the only matter I had discussed with him and pleaded for. I pleaded for the Finance Corporation legislation; the broadening of the Federal Reserve Board's power of rediscount; and the creation of a home-loan banking system. He adopted these three, and I thought I had him with me on this also; but unfortunately, after a conference with a certain influential lawyer, the lawyer from the Chicago Board of Trade—

Mr. CONDON (interposing). Mr. Strawn?

Mr. SABATH. Mr. Strawn, notwithstanding the fact that the United States Chamber of Commerce had gone on record against short selling, and that he was the chairman of it, he appeared before the President 3 or 4 months ago, and pointed out to him the necessity of short selling and probably convinced him to desist in his efforts to stop short selling.

Mr. McKEOWN. Mr. Sabath, we will have to suspend now, as the House is in session.

Mr. SABATH. Now, Mr. Chairman, I want to say this in conclusion: I have here resolutions and copies of resolutions from bankers' associations, from the United States Chamber of Commerce, and from the various farm organizations throughout the country. I have here statements from professors and economists who are not controlled by Wall Street. I have letters from hundreds of bankers and others who have suffered—men who were formerly members of the stock exchange—all appealing for relief and asking that we put an end to this practice. I hope, therefore, that favorable action will be taken.

Mr. Chairman, though I have been fighting this practice for nearly two years and a half and have introduced several measures to regulate it, I wish to say that I am not wedded to my bills.

I am only interested in the elimination of this evil. We have a drafting bureau here, and we are paying a good, substantial salary to these gentlemen, and they are efficient. They can draw a bill that will be constitutional, and that will eliminate this evil.

I have been working on another bill, which, I believe, is constitutional, and which will be much broader in scope than either of my bills, or the "blue sky" bill. I hope that it will be sent to this committee shortly, and I hope you will give all these bills the consideration to which, I believe, they are entitled.

I thank you, Mr. Chairman and gentlemen, for the courtesy you have extended to me.

Mr. McKEOWN. We thank you very much, Judge Sabath, for your interesting and instructive statement. The subcommittee will now stand adjourned, subject to call of the chairman.

INCREASED TARIFFS WITH INSECURE REVENUE AND UNSATISFACTORY PROTECTION, OR TRADE QUOTAS WITH MORE REVENUE AND REAL PROTECTION

Mr. HARLAN. Mr. Speaker, for the last century and more we have been struggling with our tariff policy. Whatever may be our theories as to the advisability of a tariff from the viewpoint of political economy; whatever may have been the party promises that have been made at one time or another, some form of trade barrier is here to stay, at least for such a time as to be beyond the cares of the present generation.

When military wars disappear trade wars will probably vanish, and when trade wars vanish a very fundamental cause of military conflicts will be destroyed. It would seem that our present problem is not to remove trade barriers, but to obtain that kind which is least harmful to our export trade and most beneficial to ourselves.

I submit that our time-tried method of regulating foreign commerce solely through the use of import duties has not produced the greatest benefit in the past, and with our developing national program promises to be absolutely harmful in the future, also it would seem that a better method of regulating foreign commerce is to accomplish directly and by legislative fiat the basic purpose which we have attempted to accomplish indirectly through tariff duties; that is, to establish a definite specific quota of imports compatible with domestic production.

The main trouble with our effort to limit imports through tariff duties has been that (1) domestic production has not received definite protection, (2) in times of stress when revenue has been needed it has always disappeared, (3) tariffs have been imposed by blocs with little consideration to need and practically none to national welfare, (4) our export trade has received no scientific attention, and has been greatly injured.

We are now apparently entering an era of industrial planning and controlled competition. At every step we are met by the specter of foreign trade competition capable of destroying the domestic industry to which these advanced measures are to be applied. A continuation of this policy will make a development of our industrial planning program almost impossible.

Let us look at the protection which domestic production receives under our present system of tariff duties. The ideal of our tariff laws has been either to "insure equal competition", a Democratic slogan, or to secure rates "equalizing foreign and domestic costs", a Republican shibboleth. Even in normal times the fact that there is no such thing in a country the size of the United States as a standard of domestic costs is apparent. To attempt to compute foreign costs with the varying conditions of transportation, and taking into consideration "absolute costs" and "relative costs" makes this problem wholly unsolvable when world commerce is in its normal course. In times of economic upheaval, with exchange rates rising and falling like a mountain range, with countries depreciating their currencies, with bankruptcies necessitating immense sales of commodities without regard to costs, tariff walls for all practical purposes, built for normal trade conditions and within the limits of reason, simply disappear, and our domestic producer finds himself leaning upon a broken reed. He has no cost figures on which he can reliably base his manufacturing program, and he has no stable market which he can rely upon supplying.

As a revenue measure our present tariff laws are a bitter disappointment in times of need. As a result of the prolonged high-tariff policy the amount of goods imported subject to tariff duties has been reduced to a very small item. The great bulk of our commerce enters our ports free of duty, and those other items on which the high-tariff duties are imposed are very prone to be the ones that will most quickly disappear when the people become pressed financially. Our present tariff base is decidedly too narrow to supply a stable revenue. It is satisfactory in times of prosperity when people with discriminating tastes are willing to buy the imported article at any cost, but it is unsatisfactory when those tastes have been dulled by a crash in the stock market.

It is not necessary to discuss before this Congress the fact that tariff duties are fixed to a greater degree from political influence than from any scientific basis of fact justifying the specific duty involved. This, of course, does not apply to those duties fixed by the Tariff Commission. Instances to illustrate this are too numerous to mention, but the recent oil tariffs will furnish a fair example. The oil industry was divided between those interests owning foreign wells, and those interests whose holdings were wholly domestic. The domestic wells were completely helpless in the face of foreign production. While we might reasonably oppose any tariff on any basic element of industry, such as coal, oil, copper, and so forth, in view of the fact that tariff protection had been granted to practically every other such commodity there was no good reason why American oil ought not receive protection. But the American owners of foreign wells had the political power to defeat this protection, and it was done, leaving many domestic producers to seek their solace in bankruptcy.

In one of our recent tariff bills a duty was imposed upon foreign wool, but high-grade long-staple cotton, which did not have the necessary political influence, was maintained on the free list. In our present tariff bill most of the prominent automobile manufacturers felt themselves perfectly competent to protect themselves in world markets and did not want protection, but the rates were imposed because of the effect on the public mind of leaving this large item out of the benefits which the public supposed tariff protection afforded. Groups that have no just basis for high protective rates unite with other groups in the same situation; trading support, and tariff schedules mount regardless of party platforms or Executive opposition. Presidents Cleveland, Taft, and Hoover all found themselves helpless before this pernicious evil.

Our present system has wholly neglected the welfare of our export trade. We see in the shop windows Japanese-manufactured electric-light bulbs. We go to a banquet and pick up the flag patriotically put in front of every diner's place and note on the pedestal "made in Japan", and we are at once convinced that American trade is being supplanted. The machinery and structural steel and shoes that have been sent to Japan that have been manufactured here at a very substantial profit are out of sight and beyond our ken. We are interested in imports because they come to our personal knowledge, but we know nothing about and have little interest in our export industry, which cannot thrive without imports.

President Hoover on April 15, 1929, said:

In determining changes in our tariff we must not fail to take into account the broad interests of the country as a whole, and such interests include our trade relations with other countries. It is obviously unwise protection which sacrifices a greater amount of employment in exports to gain a lesser amount of employment from imports.

With our present duties based on political expediency, bloc manipulation, and emotional appeal, at no time is any effort made to supply data on which we can select and advance those industries which are effective, which produce greater profits, and which establish the American wage scale.

These are a few of the weaknesses which have already developed from supplying trade protection through the manipulation of import duties alone. The experience of this

present extraordinary session of Congress, I submit, has disclosed other inherent weaknesses which must be removed if any progress is to be made in industrial recovery and reorganization in this country.

We passed an Agricultural Allotment Bill, and discovered that it was necessary not only to delegate to the Secretary of Agriculture the questionable constitutional power to increase tariff rates disguised as taxes almost without limit on the products involved in the bill, but we also gave him power over competing products, such as rayon, oleomargarine, and so forth, over which the bill exercised no control. The 6-hour labor bill passed the Senate and was presented to the House. It there developed that to make such a law effective an absolute embargo on foreign manufacturers would be inevitable. In the industrial recovery law we conferred on the Executive embargo powers should he desire to use them. We are considering unemployment insurance, old-age pensions, controlled production, minimum wages, and so forth, and everywhere we are confronted by the ineffectiveness of trade protection based on tariff duties.

What to do about it? We cannot impose an embargo and crawl behind a Chinese wall. A country that contains 6 percent of the world's population, but produces 58 percent of the world's corn, 52 percent of its cotton, 34½ percent of its coal, 46½ percent of its copper, and has manufacturing capacity varying from 15 to 20 percent in excess of domestic consumption cannot impose an absolute embargo because by so doing it will also destroy our export trade, and we will have to produce at such a tremendously reduced efficiency that our whole social and industrial system will be turned back at least a century.

We speak hopefully of reciprocity treaties, but in the last 100 years, although we have made repeated efforts, we have never been able to negotiate a single reciprocity treaty with a real competitor. If the treaty affords an advantage to us the competitor will not agree, and if the treaty provisions are the reverse we have shown no disposition to act as Santa Claus. Our three reciprocity treaties to date have been with Canada, Hawaii, and Cuba, our neighbors and friends, not our commercial rivals.

In 1929 we declared war on the world with the Smoot-Hawley tariff bill. The last report shows that as a result of that bill \$1,220,000,000 of American capital has gone abroad to build branch factories, employing 330,000 foreign laborers. This does not include investments in single factory units of less than \$50,000 and does not include independent investments not associated as branch units of American plants. Neither does it include those concerns who for reasons of their own refused to report their factory plant investments. The total of all this would be very much greater than the figure submitted.

The whole world has built around us retaliatory tariff walls from which we as a large creditor Nation must suffer. There is no prospect that these countries which are unfriendly to us and which are obtaining great trade advantages under the present tariff system will become suddenly magnanimous to the country which precipitated the whole trade conflict. Our salvation, if it comes, must be obtained as always in the past, through our own ingenuity and our own efforts.

As a preliminary step toward our own protection might it not at this time be advisable to use the same methods in the control of our import trade that we are contemplating for use in our domestic industrial recovery efforts; that is, to establish a definite import quota with a definite zone in which reasonable competition shall be allowed between foreign and domestic producers and with a broad base on which very much reduced tariff rates shall be levied, thereby supplying a more constant revenue.

A few days ago a resolution was introduced into this House directing the Ways and Means Committee to investigate the advisability of such a plan, it being House Resolution No. 179. The tentative plan proposed is that the Tariff Commission shall submit to the Ways and Means Committee an itemized statement of the amount of the domestic consumption of all articles imported into the United States

together with the ratio of domestic production of each item and the total domestic consumption thereof.

The basic facts on which this report can be made are already prepared by the Tariff Commission in its "Economic Analysis of Foreign Trade", which report has not yet been given to the public, but is available to Members of Congress. In the resolution it is recommended that a definite quota limit be placed upon all imports into the United States, said quota representing the difference between the possible domestic production and domestic consumption plus 5 percent of the total domestic consumption. The tariff rates on the import quota permitted, except the 5 percent thereof, is to be fixed solely on a revenue basis; that is, to be fixed at such an amount as will produce the greatest revenue without any ideas of protection whatsoever, and shall include those commodities not produced in the United States at all as well as those which are produced in the United States.

It will be seen that this permitted quota, with the exception of the 5 percent referred to, shall be approximately on a free-trade basis. It is suggested that when the importation of any commodity reaches the last 5 percent of the quota the tariff duties on the first half thereof shall be 50 percent ad valorem at the port of entry, and that the last half shall be taxed 100 percent ad valorem. That when the entire quota, including the 5 percent, shall have been reached, an absolute embargo shall exist, and no further imports permitted. The percentage allowed for the competitive zone as well as the ad valorem duties thereon are purely estimates and will probably need amendment.

Briefly, this system will give the American producer absolute protection within his quota limits. It will furnish a zone constituting 5 percent of the domestic consumption, on which reasonable competition can be maintained between foreign and domestic goods. It will produce a relatively stable revenue on such a broad basis that the effect of economic upheavals will be reduced to a minimum.

By the simple process of observing over a period of years those products which have to rely on the embargo for their protection, those products which cannot compete with foreign producers, even with the 100-percent ad valorem duty, the ineffective, inefficient industries in the United States which are a burden to our whole industrial life, which tend to reduce wages, which handicap our effective and efficient industries in their effort to sell on the world market, can be gradually eliminated over a period of years by increasing the import quota. Capital invested in these industries can be reinvested in profitable ones, and the basis for scientific promotion of our export trade will be laid.

It is, of course, always possible to raise objections to any proposal, and immediately many could be suggested to this one; that is, the foreign producer, taking advantage of the low tariff rates on the permitted quota, could distribute the expense of the high ad valorem rates of the last 5 percent, and in a way nullify the beneficial effect of this competitive zone. However, unless such producer would engage in a dumping enterprise, there would be no inducement for him to sell this last 5 percent unless he were making a profit on that specific quantity, and if he were selling in the American market at a loss he would come under the provision of our antidumping laws. There would also be undoubtedly considerable confusion among the importing countries as to the allotment of the permitted quota, but that would not seem to be a problem which the American Customs Bureau would be called upon to consider. The ship bringing the importation within the quota would be the fortunate entry. If, however, this and many other small problems that might be suggested do furnish some opposition to the contemplated change, the objections are by no means as serious as those raised to our efforts to control the "rugged individualist" in his exercise of unrestricted competition, nor are any of these objections anything to be compared to the objections to our present protective system based upon import duties alone.

This system will be of uniform operation throughout the United States, and political corruption through which campaign contributions of specific industries seeking unfair pro-

tection will be removed, and we will have an opportunity at least to develop our own social and industrial legislation behind the protection afforded by the quota system in the way that our commercial and social leaders deem of best interest to the United States.

LOBSTER FISHERIES

Mr. MORAN. Mr. Speaker, I take the opportunity afforded under the privilege of extending my remarks to discuss the lobster fisheries of the United States in general and of the State of Maine in particular. First, let me present a few important basic facts.

(1) UNITED STATES PRODUCTION

The United States production of lobsters was 11,747,694 pounds in 1929, 13,916,042 pounds in 1930, and 12,460,749 pounds in 1931. The value of this production was \$3,508,449 in 1929, \$3,586,890 in 1930, and \$3,010,820 in 1931. (Source: Fishery Industries of the United States.)

(2) 1931 UNITED STATES PRODUCTION BY GEOGRAPHICAL AREAS

The 1931 United States production by geographical areas shows that out of a total production of 12,460,749 pounds valued at \$3,010,820, the State of Maine alone produced 7,166,310 pounds valued at \$1,633,684. Maine alone produced 57.51 percent of the total 1931 United States production, which demonstrates Maine's special interest. The second largest producer was Massachusetts, with a production of 2,245,753 pounds valued at \$627,198. The third largest producer was Rhode Island, producing 1,259,173 pounds at a value of \$269,231. The fourth largest producer was New Jersey, producing 653,634 pounds at a value of \$167,687. The fifth largest producer was Connecticut, producing 497,494 pounds at a value of \$138,168. The sixth largest producer was New York, producing 483,846 pounds at a value of \$121,837. The seventh largest producer was New Hampshire, producing 143,289 pounds at a value of \$50,151. The eighth largest producer was Delaware, producing 11,250 pounds at a value of \$2,814. (Source: Fishery Industries of the United States.)

(3) IMPORTS OF LOBSTERS

The imports of lobsters for consumption in the United States have increased annually since 1927, despite the marked reduction generally in international trade. Combining the importations of fresh and canned lobsters, we find that the imports have been as follows: 8,142,805 pounds in 1927; 8,143,673 pounds in 1928; 10,119,020 pounds in 1929; 11,176,386 pounds in 1930; 11,686,545 pounds in 1931; 13,001,420 pounds in 1932. The value of these imports were \$2,677,062 in 1927; \$2,275,322 in 1928; \$3,168,257 in 1929; \$2,890,896 in 1930; \$2,991,477 in 1931; and \$2,508,948 in 1932. (Source: Foreign Commerce and Navigation of the United States.)

Imports of lobsters by countries of shipment for calendar year 1932 show that almost all imports of fresh and canned lobsters come from Canada. Canada supplied 10,928,761 of the 11,694,342 pounds of fresh lobsters, and 1,257,550 of the 1,307,078 pounds of canned lobsters, imported into the United States in 1932. (Source: Foreign Commerce and Navigation of the United States.)

Imports almost equal total United States production. For 1930 the United States production was 13,916,042 pounds and the imports were 11,176,386 pounds; for 1931 the United States production was 12,460,749 pounds and the total imports were 11,686,545 pounds.

Imports are now increasing still further. The imports from Canada for the first 3 months of 1933 were 1,489,864 pounds, as compared to 1,064,578 for the same period in 1932. The total imports for the first quarter of 1933 were 1,936,149 pounds as compared to 1,712,155 pounds for the equivalent period in 1932 (Bureau of Domestic and Foreign Commerce).

(4) SUMMARY OF FACTS

To summarize the statistical, authoritative, and unquestioned facts, we find that: First, Maine produced 57.51 percent of the total 1931 United States production; second, that imports now practically equal United States production;

third, that imports have increased annually despite the depression that has reduced general international trade materially; and, fourth, that Canada supplies practically all of the imports.

(5) GENERAL SITUATION TODAY

My concern is primarily the condition of the Maine lobster fisherman, who is involved in one of the hardest struggles in the history of this fishery. Many of the fishermen and their families are actually destitute and on the verge of starvation (evidence, official report of Maine agent of Bureau of Fisheries, dated May 2, 1933). The catches have been small and the prevailing price of about 12 cents a pound (in some localities 10 cents and even 8 cents) does not begin to compensate them for their efforts. Unless the fishermen get relief, they will not be able to equip themselves with much-needed new gear. The buyers have been tiding them along year after year, and they, too, find themselves in no position to do so any longer.

The consensus of opinion of the leading fishermen and dealers is that the present plight is leading directly to certain ruin. With the Canadian lobsters pouring into our markets undeterred, this fate seems all the more inevitable. And the irony of it all is that Canada imposes a tariff on American lobsters! Quick and decisive action is necessary in order to alleviate the present deplorable condition. Under the existing circumstances our fishermen acknowledge their defeat and the futility of attempting to compete with the Canadian fishermen who are operating under the complete protection and assistance of their Government, besides being favored with an apparently inexhaustible supply from unexploited areas. Never before has the call been more urgent for a united and effective act on the part of our Government to rectify immediately the impending disaster.

The "new deal" was to care for "the forgotten man." If there ever was a "forgotten man", it is the Maine lobster fisherman. Knowing, as I do, the situation in which they find themselves; realizing that they must of necessity turn in their hour of distress to their Government, helpless as they are under present conditions, I dedicate myself to turn every stone to be of assistance to these Maine fishermen, than whom there are no finer group of people anywhere in any walk of life. I have a definite, specific plan in mind which I will develop later in detail. In order to help them, and the women and children who comprise their families, I ask the Congress of the United States to aid me in my endeavor to throw around them the assisting and protecting arm of the United States Government.

WORLD ECONOMIC CONFERENCE

Mr. KENNEDY of New York. Mr. Speaker, in an address which he delivered Tuesday night, June 13, over a network of the National Broadcasting Co., and which was released for all newspapers, Congressman FISH, of New York, took it upon himself to castigate our delegates to the World Economic Conference.

In his attempt to treat a most important mission in a facetious manner, he very carelessly selected as a simile a great sporting event, which occurred on a New Year's Day a few years ago in the Rose Bowl, in Pasadena, Calif. In view of the importance of the Conference and in the light of his intimate contact with the sport he mentions, as the once-famed captain of the Harvard team, he might have described the incident with greater accuracy. To this end I wish to admonish him that the particular player who caught the ball and ran the wrong way did not run sufficiently far to make a touch-down for the other side, with which the gentleman from New York credits him. Fortunately, he was tackled outside the goal line by one of his own men. Many experts explained that this almost inexplicable run was due entirely to a kick in the head which the player received just prior to his remarkable reversal.

There is a close analogy in the present situation when we find certain partisan individuals kicking with rare gusto at the heads of our leaders in a desperate hope that they may succeed in upsetting their equilibrium and witness a repetition of this rare phenomenon, whereupon they would sit back in glee, and gloat "I told you so."

IN 60 HOURS OF GENERAL DEBATE THE HOUSE ENACTED PRESIDENT ROOSEVELT'S ENTIRE LEGISLATIVE PROGRAM—A REMARKABLE RECORD

Mr. SMITH of Washington. Mr. Speaker and Members of the House, for many years Congress has been severely criticized by the press and the people generally for taking up too much time in protracted debate and almost interminable discussion of the measures and legislation which have come before it. Some of this criticism has undoubtedly been justified, for in the past single bills have frequently been debated and orated upon for many months while the country has suffered for want of action instead of speech making.

I therefore desire to take this opportunity in the closing hours of our deliberations to point out to the Members of the House and to the country the exceptional and unprecedented record which has been made by the House of Representatives in this regard in this special session of Congress. We have passed more important, far-reaching legislation, and consumed less time in general debate in doing so, than any other Congress in the 150 years of our national history.

Mr. Speaker, for the information of the Members of the House and the American people, I have compiled from the CONGRESSIONAL RECORD a list of the major bills which we have enacted into law and the hours of general debate devoted to each bill, which I will now read. It is probably the most remarkable record of expeditious action ever made by any law-making body in the history of the world.

General debate on major bills

	Passed	Debated
1. H. R. 1401. Emergency banking relief.....	Mar. 9	40 minutes.
2. H. R. 2820. Maintenance of Government's credit (economy).....	Mar. 11	2 hours.
3. H. R. 3341. Permit and tax beer.....	Mar. 14	3 hours.
4. H. R. 3835. Emergency agricultural relief; farm mortgage relief; and currency issuance and regulation.....	Mar. 22	5½ hours.
5. S. 598. Unemployment relief (reforestation).....	Mar. 29	3 hours.
6. H. R. 4696. Federal emergency relief.....	Apr. 21	2 hours.
7. H. R. 5081. Muscle Shoals and Tennessee Valley development.....	Apr. 25	6 hours.
8. H. R. 5240. Relief of small-home owners.....	Apr. 28	1½ hours.
9. H. R. 5480. Supervision of traffic in securities.....	May 5	5 hours.
10. H. R. 5755. Industrial recovery; public construction; and taxes.....	May 26	6 hours.
11. S. 510. National employment system.....	June 1	3 hours.
12. S. 1580. Railroad reorganization and relief.....	June 5	3 hours.

Total, 40 hours and 40 minutes.

If we allow an additional 19 hours and 20 minutes consumed in debate on those bills which were also considered under the 5-minute rule, which would be a liberal allowance, there has been but 60 hours consumed in debate on the entire legislative program which has been written into law during this session, a truly remarkable record.

A BALANCED BUDGET VERSUS JUSTICE

Mr. MURDOCK. Mr. Speaker, at the very time that the American people, the American press, American statesmen, and leaders in every walk of life are vigorously protesting against the refusal of our allies to pay their war debt, America is repudiating her own just war debt. In the days when America's ideals, America's standards of justice and right, indeed America's very existence were threatened, those who are now called veterans offered as a token of their patriotism—not gold, not empty phrases, but life itself, in defense of that country and that Government which they loved and in which they had implicit faith. They fought for Americanism. They fought for the right to live, to work, and to be happy. They fought for family and home and jobs; they fought for fairness, for a "new deal" throughout the world.

The theory of American Government, it seems to me, implies a twofold obligation. First, in order that the Government may exist, it is necessary that "we, the people of the United States," bind ourselves together by law and loyalty to uphold and maintain the Government we have established. Second, in order to retain respect for law and to inspire loyalty, it is the duty of our Government, insofar as it is humanly possible, to—

establish (and maintain) justice, insure domestic tranquillity, * * * promote the general welfare, and secure the blessings of liberty * * *.

In accordance with their inborn sense of duty, these veterans have in times of war offered the "last full measure of devotion." Today the hardships and sufferings of economic depression have fallen heavily on them and on the world. Today they are assailed by enforced idleness, by want, by hunger. Now that we have the opportunity of translating into action our pompous and oft-repeated expressions of gratitude and appreciation, now that we who were the defended are called upon to protect our defenders, we offer them—not justice, not the blessings of liberty, not a new deal—but a balanced Budget!

On the 20th of March there was approved the so-called "Economy Act." Its only justification was its title, "An act to maintain the credit of the United States Government." To maintain the credit of the Government, we were told, it was necessary to balance the Budget; and to balance the Budget some have been deluded that it was necessary to evict homeless and helpless veterans from hospitals and cast loose on the uncertainties of private charity widows and orphans and war-wrecked soldiers. All this in the name of a balanced Budget! And what is the Budget but an accountant's nightmare? If millions are needed for Government office buildings or for the printing of useless bulletins, who cares about a balanced Budget? If the international banker's bond falls due, who cares about the credit of the United States Government? Indeed, in the last analysis, the credit of the United States Government depends, not upon a column of figures, but upon columns of young men who are willing to fight and live and die for their country, and upon the ranks of American womanhood who nourish and inspire them. It is mockery to speak of balancing the Nation's Budget when the budgets of American families are woefully and cruelly unbalanced. It is brutal to attempt to guarantee the value of the currency in the pockets of the rich by obliterating the income of countless disabled veterans and their wives and children.

Those who have made a friendly gesture toward the veteran, while half-heartedly defending the compromise under consideration, have done so on the ground that this compromise is the "best thing Congress can get!" It is written in the Constitution, "All legislative powers herein granted shall be vested in a Congress of the United States", and yet we are now told that that very Congress must sit impotently here while the Executive department tells it what laws it can enact and how they shall be administered; that Congress must stand helplessly aside and watch the promise of the Government to its most precious and oftenest-trying constituents trampled under foot by a ruthless bureaucracy. Yes; this is "the best thing Congress can get", if it is content to abdicate its vested power and abolish by its own action the very function that called it into being. Compromise under any circumstances is another name for cowardice, and is especially repulsive when applied to those who earned the deathless gratitude of this country by offering their lives in its defense.

We are told that any proposal more just and fair to the veteran than this compromise will be vetoed by the President and that as a result we will be kept in session all summer. And this declaration, which I do not question, seems of sufficient importance to some to cause them to cast their votes in favor of a measure that would otherwise not be acceptable to them. That attitude is exactly the same as fearing to vote for a bill which there was a probability the Supreme Court would declare unconstitutional. I cannot reconcile my own sense of right and my own conscience with that attitude. Let us not forget that we are representatives of a people accustomed to being led by men of the caliber of him who said:

I'll fight it out on this line if it takes all summer.

I have heard of fair-weather friends; but now we are witnessing the desertion of the "friends of the veteran" because of the imminence of sunny weather.

When the so-called "economy bill" was first introduced I stated that in my judgment it was bad legislation, and I voted against it and worked against it. My original position is now vindicated by those who then criticized me most

severely. No sooner was it enacted than many of its most ardent supporters began clamoring for its modification and attempting to nullify its provisions. Every day that passes convinces me so much more that the so-called "economy bill" was a blundering injustice. And I believe that the compromise reached by the joint conference adds insult to injury. The whole theory of the bill is fallacious and contrary to the fundamental principles of the Democratic new deal. It is undeniable that any hope of recovery from the depression depends upon an increase in purchasing power, and that the purchasing power can only be increased by planned and unified action on the part of the Federal Government. And yet the effect of this legislation is to reduce the compensation and allowances of veterans to the vanishing point and curtail to a dangerous extent the salaries of Federal employees. That is like whipping the horse to make him get home before he gets tired. The Director of the Budget proposes in this legislation to increase the national income by reducing the income of the individual; to raise the standard of living by destroying the source of livelihood; to fight undernourishment with starvation; to maintain the credit of the Nation by repudiating the moral obligation of the Government to its veterans. That may be politics, but it most certainly is not statesmanship.

My vote in favor of the Steiwer-Cutting amendment will not be a vote against Franklin D. Roosevelt, who ran for the Presidency and was elected upon a platform that said:

We advocate the full measure of justice and generosity for all war veterans who have suffered disability or disease caused by or resulting from actual service in time of war and for their dependents.

It will be a vote against the Bureau of the Budget which has proposed this "joker" in the new deal. It will be a vote of confidence in the wisdom and justice of the American Government. It will be a vote of gratitude to those who preserved inviolate that Government and the ideals of fairness and equity it represents.

VETERAN'S BENEFITS COMPROMISE

Mr. BROWNING. Mr. Speaker, in looking back over the record on veterans' legislation for this session, I am content to say that I would not change a single vote I have cast. In fairness to those Members of Congress who voted for the so-called "economy bill", I think it should be said that they were surprised, yes, astonished at the drastic way it was planned to administer it. I felt at the time of its consideration that I could sense the result as inevitably cruel and shocking. I felt then, and feel now, that there is substantial merit in every large class of beneficiaries.

Our party platform declared for 25-percent reduction in the Federal Budget. The ex-service men were willing to make their proportionate contribution toward that saving to the taxpayers. When I offered in the Democratic caucus of the House on March 11 last a proposal to limit reductions on veterans' benefits to that figure a great majority of the Democratic Members accepted it, voted for it, but a few less than two thirds voted to bind on the provision, and it was lost through technicalities of parliamentary procedure. The "economy" bill was accepted on assurance that no injustice would be done. I knew injustice had to be done under such a program and opposed it to the end in the hope of defeating it.

But upon its passage any effort to vary the terms of the Economy Act has to have either the approval of the President and a majority of both Houses of Congress or two thirds of each House to reject a veto.

When H.R. 5389 was amended in the Senate by the inclusion of the Connally amendment the President let it be known that he would disapprove any measure containing its provisions. A special committee named by the House Democratic caucus then entered into direct negotiations with the President to obtain the best possible concessions from him in favor of the veterans. We had extensive and laborious conferences with him.

When the Economy Act went into force and the first regulations were issued over 700,000 disabled veterans and their dependents were eliminated from the Government rolls, and

the service-connected who remained were cut approximately 50 percent of the amount they were then receiving.

We feel that we were partially responsible for the liberalization made by the Executive on June 6, which restored the directly service-connected cases to within 18 percent of their former rating. We succeeded in obtaining an extension of benefits in addition to this, which were embodied in the House proposal substituted for the Connally amendment. So we brought back to the House over and above the allowance effective when we opened negotiations for concessions more than \$100,000,000 per year in additional benefits to disabled men and their dependents.

The Connally amendment did more for the Spanish War Veterans who have no service connection, than does the House proposal. But it is quite debatable whether the World War presumptives were included in it. It is certain that it did not include 36,000 widows and other dependents of deceased World War veterans who had been separated from the rolls by the Economy Act, and who are restored by the House provision with full pay.

When the plan reached by the President and our committee was sent to the Senate there was substituted for it the Steiwer amendment, which did not differ materially from the House provision, except that it restored the Spanish War men to the rolls with three fourths of their original pay. The provisions as to presumptive cases will amount to the same if administered with any regard to the language or intent of Congress.

The President announced positively through the majority leader of the Senate that he would veto the bill if the Steiwer amendment were left in it. The vote in the Senate was official notice that his veto would be sustained. As one who puts the cause of the disabled service man second to nothing in the way of legislative obligation, I was faced with the positive barrier of a sustained veto if I stood for the Steiwer amendment, or with further insistence on the House provisions we could certainly have by standing against the Senate. There was no assurance of liberalization beyond present regulations if the bill failed. Had we forced a Presidential veto by standing for the Steiwer amendment, as much as I would prefer it, we would have pushed back the cause of the disabled soldiers of all wars 10 or more years. I disagree with the President on some positions he takes which I feel will take away benefits from many worthy cases. I heartily agree with him that some unworthy cases should be purged from the rolls. But when I face a condition in which I must take part of something or all of nothing for those who are suffering, I do not hesitate to accept the former. That is why I begged my colleagues in the Democratic caucus yesterday to accept all we could get short of a veto. Without any criticism of those who stood out for the most benefits, for it was my desire to get them, I give it as my deliberate opinion that those who stood for the House provision voted for the maximum it was possible to obtain, and rendered an invaluable service to the disabled man's cause by averting an open breach with our great and popular President, with whom they were constrained to differ on one issue. It was not an action under threat of a veto. It was facing realities about which there could be no doubt. The President is firm in his convictions, and this Nation loves and trusts him. There will be other times. Congress will be back in January next. I have no doubt the injustices will be so apparent then that the President will request any power necessary to treat these men in a way commensurate with national gratitude for sacrifices made in our common cause.

I give you again what we feel has been accomplished over the Economy Act by the most recent effort:

The presumptives, who were all to be cut off July 1, are left on the rolls at three fourths of their present rating a sufficient time for them to have a hearing before an independent board to determine their rights to service connection, independent of clinical findings or medical opinion but in the light of all evidence offered, with every reasonable doubt resolved in favor of the veteran and the burden of proof on the Government to show he is not entitled to it.

The directly service connected are restored from drastically low cuts to within 18 percent of the amount they were receiving, with a limitation of 25-percent reduction on any case.

The limitation of 90 days' service is removed, as such a provision is unjustified if a service connection is shown. The 36,000 widows and orphans and other dependents of World War veterans are restored to full allowance from nothing.

All total and permanent cases not service connected are raised from \$20 to \$30 per month.

All service-connected Spanish War cases are raised to the amount allowed the same class of World War cases.

All Spanish War veterans over 62 are raised from \$6 to \$15 on age alone.

All Spanish War veterans between 55 and 62 who are 50 percent disabled and need it will receive not less than \$15.

These additional benefits, as said before, amount to more than \$100,000,000. So we feel our efforts have not been in vain. It is not all that is required to do full justice. I have a deep sympathy for Spanish War men who entered and served under a pension system then in existence which they thought they had a right to rely on, but who now find themselves called upon to show service connection, and their evidence destroyed or in the grave, and required to establish by proof a condition of poverty. I sympathize with the World War man who knows his trouble was brought on by his service, yet tried to fight his battle of life without the help of his Government, until all reasonable presumptions and time have run against him. He accepted the disability allowance provided and was content to waive the greater benefits of the service-connected class. It is a hard rule that says to him this \$12 is being paid to him wrongfully, and he has been receiving money for no just claim. It is surprising how many of these disability-allowance claims are to men who from the early months after discharge have been trying to show service-connection, and their claim has been defeated because of the technical requirements of regulations.

The bitter fight waged in the past few days is a testimonial to the fact that the National Economy League does not control the Membership in Congress, and the service men have loyal friends on whom they can rely. I hope my buddies will not measure the friendship of Members by one vote. Some of their best friends voted for the "economy" bill, believing all worthy cases would be protected. Because of their loyalty in the past, and their disposition to right the wrongs as far as conditions would permit in the last few days, they should be judged by a record of years, and not by an isolated act done in the face of impending national collapse.

MUSCLE SHOALS

Mr. BACON. Mr. Speaker, in declaring my unalterable opposition to the bill now before the House, it is unnecessary for me to dwell at length upon the sins of commission or omission that are now in the similar Norris bill pending before the Senate and that were in the original Hill bill prior to the amendments adopted by the Committee on Military Affairs. As a prime example, however, of the pernicious features of these bills I shall mention the absence of any provision for the protection of labor employed in the enormous projects envisaged. By the original language of this bill and of the Norris bill the very face of a great part of the Nation could have been changed by labor employed without a specified minimum-wage scale, possibly working under conditions similar to those in Soviet Russia which have shocked the world. By amending section 3, however, the committee at least removed this danger by requiring wages to be paid at the prevailing rate, and in accordance with classification service, any questions to be determined by the Secretary of Labor.

I do not cite this in order to recommend the amended bill, but merely to indicate the general character of the legislation that is proposed to meet this long-standing national problem of Muscle Shoals. Other improvements were made

in it, but it still remains inherently a dangerous measure. H.R. 5081 largely ignores or vitiates the purposes of section 124 of the National Defense Act, under whose authority Muscle Shoals was constructed, and by virtue of which the problem has heretofore been considered as one of national defense appropriate for action by the Committee on Military Affairs. This bill is not a national defense bill. It is, to a large measure, rather, a power bill, a basically new proposition contrasting with the Muscle Shoals bills referred to in the past.

Under the filmy veil of the acknowledged governmental functions of navigation and flood control, we had masked provisions for placing the Federal Government in the power and fertilizer business, in competition with enterprises legitimately established by its private citizens. Undeniably there is not a single logical trace of connection between our Government and these industries, which circumstance and the authors of the bill have singled out as suitable objects for Government intervention. If we may do this at present merely to dispose of the Muscle Shoals problem, then we may expect our Government further to engage in commerce and industry to an extent that may represent a surrender of our individualistic system of government and an acceptance of the doctrines enunciated by Karl Marx in *Das Kapital*. The issue is clear cut beyond the possibility of equivocation.

This bill does, indeed, place the Government in two businesses, in addition to 41 others in which the Government has been found to be in competition with private enterprise, according to a report published in pursuance of a resolution of the Seventy-second Congress. But it does not place it in business in a businesslike manner. No testimony was heard by the committee as to the actual economic value of the proposed Government operations at Muscle Shoals. There is no mention of it in the majority report. To be sure, they amended subsection (k) of section 4 to provide that, with the exception of Cove Creek and Dam No. 3, future construction will be conditioned upon power market conditions and that they will not be undertaken except after satisfactory contracts have been made to provide for their self-liquidation. But the fact remains that neither the committee nor Congress has any adequate data concerning the actual economics of what it is proposed the Government shall do. All we know is the tragic experiences of other samples of Government operation in the past. And we know, too, as an unwritten law of government, that whenever optional authority is granted to an agency of the Government, that authority will be exercised to the limit, regardless of the merits of the option.

Let us look at section 28. The President is directed to recommend legislation in conformity with the following purposes:

(1) The maximum amount of flood control, (2) the maximum development of said Tennessee River and its tributaries for navigation purposes, (3) the maximum generation of electric power consistent with flood control and navigation, (4) the proper use of marginal lands, (5) the proper method of reforestation of all lands in said drainage basin suitable for reforestation, (6) the most practical method of improving agricultural conditions in the valleys of said drainage basin, and (7) the economic and social well-being of the people living in said river basin and all adjacent territories.

Here are proposals affecting several departments and bureaus of the Government. Yet not one word of testimony from officials or representatives of any of the departments or bureaus affected was delivered to the committee either in public or private hearings. How then can we vote on such a proposition merely because we like the sound of the phrases without knowing their meaning?

But most sinister of all, most concealed from accurate appraisal, most insidious, is section 27. Here, under the mask of a benevolent paternalism, hidden in grandiloquent verbiage, we may discover the visions of a program so vast and so vague—so costly without limit—that it is likely to increase the bonded indebtedness of the Nation by unthinkable billions of dollars, that it may ultimately impair the credit of the Government to a greater extent than might an unsuccessful major war. I cite, first, section 29:

That all appropriations necessary to carry out the provisions of this act are hereby authorized.

Fantastic! I cite again, this time from section 15 of the Norris bill:

In connection with any future dam, steam plant, or other facility, to be used in whole or in part for the generation of hydroelectric power, the board, if directed to do so by the President of the United States, shall issue its bonds for the payment in part or in full of that part of said development that is allocated to the production of hydroelectric power.

Is this power or national defense?

Now, let us see what some of the provisions of the bill are as set forth in section 27:

To aid further the proper use, conservation, and development of the natural resources of the Tennessee Drainage Basin and of such adjoining territory as may be related or materially affected by the developments consequent to this act, and to provide for the general welfare of citizens of said areas the President is hereby authorized by such means or methods as he may deem proper within the limits of appropriations made therefor by Congress to make such surveys of and general plans for said Tennessee Basin and adjoining territory as may be useful to the Congress and to the several States in guiding and controlling the extent, sequence, and nature of development that may be equitably and economically advanced through the expenditure of public funds or through the guidance or control of public authority, all for the general purposes of fostering an orderly and proper physical, economic, and social development of said areas.

What can this language mean? It was not revealed to us in any of the hearings. The President has not declared himself as to how far a government may go in fostering the social development of people. But this bill already covers 6 to 10 States, depending upon the interpretation of the expression "adjoining territories." We have been hearing the figure of \$1,000,000,000 as a conservative figure for the cost which the people of the entire country will have to bear. And how many other regions are there between our two coasts for which a like plan may be offered? How shall we know where to stop once we have spent our first billion on this vague but sweeping philanthropy? Would \$5,000,000,000 be enough to pay for it? Would ten? These things we do not know, but if we pass this bill with this language in it we are merely saying that it does not matter, that a Garden of Eden will be made to bloom from coast to coast without embarrassment to our credit or the enslavement of posterity under a fearful yoke of debt.

Up to this point I have been calling the attention of the House to the more general features and implications of the bill and of the way in which it has been drafted and considered. All that I have said applies with equal or greater force to the Norris bill. Now I propose to show some of the specific factual problems and difficulties that may reasonably be expected to result from the passage of this bill despite the changes we introduced—the economic waste, the ruthless devaluation by congressional fiat of private property in hundreds of millions of dollars, the possible disruption of two industries vital to the national welfare, and disposition of a public investment in a manner most likely to entail ultimate loss to the taxpayer.

Now, as to the power provisions of the bill, section 11 authorizes the board to sell surplus power not used in its operations to States, counties, municipalities, corporations, partnerships, or individuals for periods not to exceed 20 years, giving preference to States, counties, municipalities, and cooperative nonprofit associations of citizens or farmers. Contracts with private individuals may be canceled upon 5 years' notice if necessary to supply the requirements of States, counties, and municipalities. Section 12 declares it the policy of the Government to sell all surplus power equitably among States, counties, and municipalities within transmission distance.

Obviously power could not be sold to towns 400 miles distant without the use of transmission lines. Section 13, therefore, provides that, failing satisfactory contracts for the distribution and resale of power, the board is authorized to construct or lease or authorize the construction of transmission lines within a maximum transmission distance of 400 miles, with the approval of the President and if economically justified and necessary. The sale to industry is

declared to be only secondary and merely for the purpose of making possible, by increasing the volume of consumption, lower rates to domestic and rural consumers. It is further provided that any States, municipalities, counties, and cooperative nonprofit organizations that may build their own transmission lines and that propose to sell power without discrimination between consumers of the same class, the board may contract with them for a period not exceeding 30 years.

What do these sections mean? They mean that the Government is to engage in the power business for retail sale, regardless of the costs of producing and distributing that power, regardless of the prevailing market prices for power in the area, regardless of the existing surplus capacity of the existing facilities to the tune of 400,000 horsepower. It means that, willy-nilly, the taxpayer becomes party, at his own expense, to the possible destruction of private enterprise in which is invested some \$400,000,000 in the six Southern States affected. To be sure the power industry is unpopular and suspect. Therefore it must be subjected to close supervision and regulation. But the 37,000 holders of preferred stock in these companies, most of them consumer customers, should not be the target of punitive legislation; nor should the thousands of bondholders in these States. Already, since it was announced that the Government would be launched into this socialistic adventure, the price of their holdings has declined rapidly. President Roosevelt himself expressed views in harmony with this viewpoint in a speech before the Conference of Governors at French Lick, Ind., in July 1931:

State-owned or Federal-owned power sites can and should properly be developed by Government itself. When so developed, private capital should be given the first opportunity to transmit and distribute the power on the basis of the best service and the lowest rates to give a reasonable profit.

I cannot believe that the President has turned away from this just and unassailable attitude. Yet, where in this bill is any provision to protect the private companies? Why, if the bill is not a menace to them, have their securities dropped since the bill was first published? Because it threatens them, not with a new source of cheap power to sell, but with the complete destruction of their market, without which asset their entire physical property becomes nearly worthless.

Moreover, the prevailing power rates in the South have dropped, under public regulation, to a level far beneath the national average. They are now low and uniform, without discrimination against the rural consumer as against the urban centers. Why, then, invite States, counties, municipalities, and cooperative organizations to come to Muscle Shoals for this additional surplus of 400,000 horsepower that will probably be sold at a loss to the Government—to come, if they choose, with their own transmission lines?

Will the Muscle Shoals actually produce power more cheaply than do the privately operated systems? It is asserted that it will cut the cost in half. There has been presented to the Committee on Military Affairs an abundance of competent testimony to the effect that the project will be economically unsound if it is to serve an extended area. But let us read what Thomas A. Edison had to say about it in an interview with Samuel Crowther, published in the Saturday Evening Post:

We shall steadily require more power; but a great deal more fuss is being made over hydroelectric power than its intrinsic value warrants. The first and best source of power is coal. The amount of coal available is not limitless, but for all practical purposes it is limitless. We can probably use coal at our present rate for a thousand years or so without any danger of exhausting our supply, and it is highly improbable that we really know our supply.

Water power is a political issue, not a business one. It can never at the best mean very much to us, except as something to talk about. The monopolizing of water power is also just a political idea. The rates are fixed at any point by the cost of generating power from steam. A private monopoly which was foolish enough to put in high rates would only bankrupt itself, for no one would buy the power. There is far more danger in public monopoly than there is in private monopoly, for when the Government goes into business it can always shift its losses to the taxpayers. If it goes into the power business, it can pretend to sell cheap power and then cover up its losses.

The Government never really goes into business, for it never makes ends meet. And that is the first requisite of business. It just mixes a little business with a lot of politics, and no one ever gets a chance to find out what is actually going on. I feel so strongly on the Government keeping out of business that if I had my way the post office would be privately managed by contract; all the Government should have is an efficient inspection bureau.

I shall not burden the House with the mass of statistics available with regard to the present surplus capacity of the privately operated fertilizer industry. It is sufficient to supply both our peace-time and maximum war-time needs. The industry as a whole has lost, since 1921, \$300,000,000 to \$350,000,000 owing to the collapse of prices and the excess of production over consumption. Why, then, should we give the coup de grâce to an industry which is fighting for its life, and which has usefully served us for decades in educating the farmer and advancing the science of soil efficiency? Here, again, we propose to destroy private initiative at the ultimate expense of the taxpayer.

In conclusion, let me quote the minority views on the present bill:

It will be seen that the bill effectually conceals its real purposes and aims and commits the country to the expenditure of vast sums of money, the amount of which can only be imagined, and at a time when agriculture and industry are prostrate and our citizens staggering under the burden of governmental debts, even though this gigantic project will probably be financed by the sale of Government bonds—thereby adding to our large national debt.

COURTESIES EXTENDED BY THE SPEAKER AND MEMBERS OF THE HOUSE

Mr. BURNHAM. Mr. Speaker, in these closing hours of the first session of the Seventy-third Congress I desire to express my appreciation of the many courtesies extended by our beloved Speaker, by the distinguished leaders of both sides of the House, and by the Members generally.

This has been a strenuous session not only for those of us who are serving our first term but for the seasoned Members as well.

When we convened on March 9 we were told by our President that an emergency existed; that a crisis was impending; that bankruptcy and insolvency faced the Nation. Since then we have enacted much emergency legislation to meet this situation. By an overwhelming majority we voted for a measure to maintain the credit of the United States Government. By that act we gave to the President the authority he desired when he said:

If the Congress chooses to vest me with this responsibility, it will be exercised in a spirit of justice to all, sympathy to those who are in need, and of maintaining inviolate the basic welfare of the United States.

We have supported the President; we have labored earnestly and honestly; we have compromised differences, the paramount purpose being to relieve unemployment, aid agriculture, encourage industry, stabilize banking, eliminate waste and extravagance, and improve conditions generally. We have done what we thought was for the best interest of the entire Nation, and we can only hope that the laws passed at this session will prove wise and profitable. If mistakes have been made, they were of the head and not of the heart.

No doubt there are conditions in each and every measure enacted that some of us would have otherwise, but all legislation is a matter of compromise. I, for one, am not satisfied with the veterans' program. My personal feeling is that we cannot do too much for the disabled veteran, or for the widows and orphans of those who made the supreme sacrifice, and I am convinced that the regulations issued under the authority of the "Act to maintain the credit of the United States Government" are entirely too drastic, and that they are causing severe and unnecessary hardships to many of our service-connected disabled veterans.

We must treat our disabled veterans with fairness and consideration. We must not allow them to become charges upon local and State governments. Their relief is a Federal obligation. These men did not go to war and risk their lives and their health for any particular community, but for the whole United States; therefore, the cost of caring

for them, when in distress, should be borne by all and distributed equably and equitably over all sections of this great land.

The apparent saving of some three hundred million dollars effected by these recent regulations is actually no saving at all. It is merely shifting the load from the main structure where it belongs to some of the weaker outbuildings that were not designed to carry it. It is transferring the burden from the Federal Government, where it does belong, to local communities, where it does not belong.

I believe I have more veterans in my district than are in any other congressional district of the United States. They come to southern California on account of the climatic conditions, hoping to regain their health. I am advised by the chairman of our board of county supervisors that the additional burden placed upon the taxpayers of San Diego County, due to the drastic regulations affecting disabled veterans, will be \$1,920,000 per year, and this does not include provision which must be made for increased cost of operating our county medical institutions, due primarily to the laws of the use of the class A, United States naval hospital situated in San Diego, with its up-to-date equipment and adequate room to care for veteran patients.

Since Federal orders were issued that veterans would not be cared for at the naval hospital our county hospital load has increased on an average of 10 percent daily. I quote from a letter received from the chairman of the board of county supervisors as follows:

The denying of the use of the facilities of the naval hospital here is throwing a tremendous added burden upon the community and our county, together with the drastic slashing of monetary benefits which we are not prepared to meet. The limited facilities of the county hospital cannot begin to care for the veteran patients of this county, and the local naval hospital, with its adequate space and up-to-date equipment, must stand closed to the veteran, who, regardless of the seriousness of his condition, must comply with Public, No. 2, Seventy-third Congress, and endeavor to gain admittance to a hospital 150 miles away.

I realize that economy in government is essential, and I am opposed to extravagance and waste in the administration of governmental affairs, whether it be local, State, or Federal, and I believe that many economies can be effected in the administration of veterans' affairs without materially or drastically reducing the benefits in worthy cases. Also, I am opposed to paying exorbitant pensions to those who suffered no injury or disability as a result of their war service, many of whom are employed at good salaries, some enjoying lucrative positions, and others provided for with adequate incomes.

On June 7 I introduced in the House H.R. 5966, which seeks to correct some of the many injustices arising from the passage of the "Act to maintain the credit of the United States Government", and, yet, effects a reasonable economy in veterans' benefits. This bill is in the form of a compromise, and provides that notwithstanding any of the provisions of the original act in no event shall World War service-connected disability compensation of any veteran, or the pension of any veteran of a war prior to the World War, or the pension of any widow, or the dependents of such veterans, allowed prior to March 15, 1933, whether allowed upon direct service connection, a presumption of service connection, or otherwise, be reduced more than 20 percent of the rate being received prior to March 15.

I sincerely regret that the bill I introduced did not receive favorable action at this session, as I firmly believe that if enacted into law it would go a long way toward alleviating the havoc and mental anguish caused our service-connected disabled veterans, their widows, and their dependents by the orders and regulations emanating from the original bill. However, I submit to the superior judgment of my colleagues at all times.

I stated during the last campaign that if elected to Congress I would support the administration in all worth-while legislation having to do with the welfare of the Nation, regardless of which political party was in power, in an earnest

and honest endeavor to hasten better times and bring about enduring prosperity. This I have endeavored to do consistently and conscientiously.

We will have an opportunity during the next 6 months to observe the workings of the most gigantic relief measures ever enacted by any Congress or any nation. I sincerely hope that much good will result, and that when we return to Congress in January the wheels of industry may be moving swiftly and the depressed condition of this country changed into one of happiness and full faith in the future. The outcome will be awaited by all with eager interest.

STATUS OF SUITS BROUGHT BY THE FIVE CIVILIZED TRIBES AGAINST THE GOVERNMENT

Mr. HASTINGS. Mr. Speaker, in 1924 jurisdictional bills were enacted by Congress to permit the Five Civilized Tribes in Oklahoma to bring suits against the Government of the United States in the Court of Claims, with the right of appeal to the Supreme Court, upon any claim which the tribes might have against the Government. By amendatory legislation the time within which suits might be filed was extended to June 30, 1930.

Before the expiration of this time there were filed on behalf of the Five Civilized Tribes by their attorneys, under contracts approved in accordance with the provisions of the several acts, the following cases:

CHEROKEE NATION

There have been filed on behalf of the Cherokee Nation nine suits, as follows:

1. Clifton Roll case: *Cherokee Nation v. United States*, in the Court of Claims, no. H-47, involving \$436,803.36, with interest at 5 percent.

2. Too Late Baby case, no. J-8: This suit is to test the constitutionality of the act of April 26, 1906, under which a new roll of additional people was made and to whom allotments were given, and involves the sum of \$8,915,160.20, with interest at 5 percent.

3. Freedmen case, no. K-17, involving the right of the Cherokee freedmen to land and money, the claim being for \$10,638,559. The demurrer of the Government in this case was sustained, and a motion for rehearing has been filed and is pending in the Court of Claims.

4. Trust Fund, no. L-46: This claim is for \$669,893.05, with interest at 5 percent to June 30, 1926, for money alleged to have been unlawfully paid out of trust funds of the Cherokees.

5. Suit no. L-174: (1) For the Eastern Cherokees and (2) for the Western Cherokees. The petition in this case contains two counts: (a) For and on behalf of the Eastern Cherokees, involving a restatement of interest amounting to \$2,653,596.12; and (b) for the benefit of the Western Cherokees, involving a restatement of interest amounting to \$362,687.01. Under the act of Congress of April 25, 1932, two additional suits were filed by the attorneys representing these two tribes.

6. Suit no. L-257: This claim is for shortage of land, and is for a balance of 575,082.23 acres of land described in the Cherokee patent of 1838, which has not been accounted for.

7. Suit no. L-266: This claim is for land embraced in the "outlet" and "promised", as stated in the first article of the treaty of 1846, or approximately 3,000,000 acres, which, at \$1.25 per acre, would amount to \$3,750,000.

8. Suit no. L-267: This suit has two counts: (1) Claim for money paid to intermarried whites, with interest from date of payment at 5 percent, \$69,000; and (2) claim for money paid for intruder improvements, \$250,000.

9. Suit no. L-268: General accounting petition challenging many items erroneously expended from tribal funds.

The following information, secured from Frank J. Boudinot, one of the attorneys for the Cherokee Nation, explains the status of the above-mentioned claims:

NO. H-47, THE CLIFTON ROLL CASE, SO-CALLED

This case was set for argument at the April 1933 call of the calendar. However, Mr. Frank K. Nebeker, attorney of record in that suit, found that certain facts, recorded or on file at the

Muskogee office and not here, and deemed to be necessary to have, were not in evidence. Consequently, Mr. Nebeker secured postponement of the trial until this evidence might be obtained. This is in process of being done.

NO. J-8, THE TOO LATE BABY CASE, SO-CALLED

Government attorneys have demurred to the petition in this case. The demurrer is still pending, the understanding being that it will not be disposed of, not heard, until a motion for a rehearing on the demurrer, sustained by the court some time ago in the Freedman case (no. K-17), has been argued and decided.

NO. K-17, THE FREEDMAN CASE, SO-CALLED

The Government demurred to the petition in this case and the demurrer was sustained. A motion for a rehearing has been filed and briefed, but has not yet been argued before the court.

NO. L-46, AN ACCOUNTING CASE (TRUST FUNDS)

The Government's attorneys are not willing to proceed in this case until the General Accounting Office has filed its report. I have been advised by that Office that the report will be completed and filed by September 1, 1933.

NO. L-174, "EASTERN" AND "WESTERN" CHEROKEES, INTEREST CASE

Frank J. Boudinot is attorney of record in this case. I am now preparing request for findings of fact, without waiting for General Accounting Office report. Senator Owen and Mr. Houston B. Teehee, attorneys for the Eastern and Western Cherokees, have suits pending for these claims, under the act of April 25, 1932, nos. 42077 and 42078. I may state that these suits will undoubtedly be brought to trial and final disposition next fall.

The remaining suits filed will have to wait for the General Accounting Office report.

CHOCTAWS AND CHICKASAWS

The following data furnished by W. F. Semple, one of the attorneys for the Choctaw and Chickasaw Nations, gives a list of the cases filed by and on behalf of these nations and the present status of each suit:

No. F-181: *Choctaw and Chickasaw Nations v. United States*. Involving freedmen minor allotments and freedmen preferential filings. Amount, \$525,508.81, with interest at 5 percent since 1912. Case filed June 4, 1926. Case closed by plaintiff December 1, 1930. Report from Indian Office on file; none from Accounting Office or Comptroller. All testimony of plaintiff taken.

No. F-182: *Choctaw Nation v. United States*. Owen fee, Mississippi Choctaws. Case filed in July 1926. Amount involved, \$139,156.75. Report from Indian Office filed; none from Accounting Office, but report from Comptroller General filed May 15, 1931. Docket marked "Closed."

No. H-37: *Choctaw and Chickasaw Nations v. United States*. Involves railroads original Choctaw freedmen, Mississippi, per capita funds. Filed January 1927. Amount involved, \$4,880,339.37. Report from Indian Office on file as to freedmen and Mississippi Choctaws only, but no report from other offices. Testimony taken by plaintiffs.

No. J-231: *Choctaw Nation v. United States*. Involves one-quarter and three-quarter division of funds. Filed April 24, 1928. Amount, \$468,000. No report from Indian Office, but preliminary report from Accounting Office filed June 1928.

No. J-619: *Choctaw and Chickasaw Nations v. United States*. Filed September 27, 1928. Amount, \$85,000. Report filed from Accounting Office April 1933. Report from Indian Office October 1928, and report from Comptroller October 1928.

No. K-281: *Choctaw Nation v. United States*. Involves Mansfield, McMurray, and Cornish fee; \$750,000 and expenses in maintaining field office, hospitals, etc. Filed June 18, 1929. Amount involved, \$162,500. No report from either Indian or Accounting Office.

No. J-620: *Choctaw and Chickasaw Nations v. United States*. Amount involved, \$8,839,015.01. Filed September 27, 1928. Case closed by plaintiff December 1, 1930. No report from Accounting Office. Case closed by plaintiff December 1, 1930. Reports on file from Comptroller and Interior.

No. K-187: *Choctaw Nation v. United States*. School case, involving school funds. Filed May 27, 1929. Amount involved, \$1,000,000. Report from Accounting Office on file. No report from Indian Office.

No. K-260: *Choctaw Nation v. United States*. General Accounting case. Filed June 1929. No report from either Indian or Accounting Offices, but Accounting Office report will be filed June 1, 1933.

No. L-261: *Choctaw and Chickasaw Nations v. United States*. Involves station grounds. Filed June 27, 1930. Amount claimed \$1,000,000. No report from Indian Office or Accounting Office, but preliminary report from Comptroller on file.

No. L-253: *Choctaw and Chickasaw Nations v. United States*. Involves coal royalty. Filed June 26, 1930. No definite amount claimed. Report on file from Accounting Office. None from Indian Office.

CREEK NATION

The attorneys for the Creek Nation employed under the provisions of the Jurisdictional Act, prior to June 30, 1930, instituted 15 suits involving large amounts of money, which have heretofore been reported in detail to the Creek Tribe at its various conventions.

Preparation has been made by E. J. Van Court and his associates for the trial of all of these cases, both as to law and fact, the claims have been carefully audited, and the attorneys representing the Creek Nation are prepared, as soon as the Government is ready, to submit all of these cases. Because of the large number of cases brought on behalf of the members of all of the Five Civilized Tribes, delays have been occasioned in securing reports from the Indian Bureau in a number of them. Reports have been made in some of the cases, others are in course of preparation, and it is hoped that reports will have been made in all of them during the coming fiscal year.

In the meantime a judgment has been rendered in the Court of Claims in behalf of the Creek Nation, in what is known as the "Boundary case", in the sum of \$86,823.19. The time for appeal by the Government to the Supreme Court of the United States has not yet expired.

There have also been argued two other cases, no. H-510, the Creek accounting suit, and no. L-168, the Alabama Reservation case, and these two cases are under advisement by the court.

In these three cases, and in other cases, many of the questions of law have been argued and submitted to the court.

The long-delayed General Accounting Office report was filed last June 1932, which permitted the attorneys to try the case no. H-510.

SEMINOLE NATION

It is hoped that the accounting reports in the Seminole cases will be forthcoming in the near future, which will permit the attorneys for the Seminole Nation, E. J. Van Court and associates, to try several of their cases during the fall term, 1933, of the court.

The attorneys for each of the Five Civilized Tribes had, from the time of the enactment of the original jurisdictional acts in 1924 up to June 30, 1930, within which to make a complete and exhaustive investigation of all the records pertaining to the respective tribes, prepare the petitions, have accountants audit the claims, and prepare for trial. The attorneys for the Government insist that they must have time to recheck the records and to have their auditors go over them and examine each claim in order to properly represent the Government in these cases.

In addition to the suits brought on behalf of the Five Civilized Tribes, a large number of other suits have been brought on behalf of other Indian tribes, and the Indian Bureau contends that every effort is being made not to delay the Government's audit of these claims, and that they are being expedited as rapidly as possible.

I have been keeping in touch with the attorneys who represent the Five Civilized Tribes and have urged that the cases be expedited. All of the attorneys insist that the cases should be tried during the coming fiscal year, and that by June 30, 1934, all of them should have been tried in the Court of Claims.

I have secured all of the legislation recommended as necessary for the determination of these cases.

MARCH 31, 1932.

Hon. W. W. HASTINGS,

House of Representatives, Washington, D.C.

MY DEAR MR. HASTINGS: I hand you herewith a copy of our brief on the Government's demurrer in the Cherokee Freedmen case which you have been good enough to freely and helpfully advise me about.

I regret to have had to make this brief so lengthy, but exceedingly important questions are involved, and I hope to get a decision by the court on this demurrer which will practically settle the case.

I took the liberty of quoting quite freely from one of your very able and excellent briefs filed for the Cherokees some years ago. I think your argument is as unanswerable now as it was then.

I wish to take advantage of this occasion to express the very deep appreciation of my associates, and particularly of myself, of the great and intelligent service you have so frequently rendered for and on behalf of our clients, the Cherokees. Speaking personally and from an extensive knowledge, I wish to say that the Cherokees and all of the Indians of our country have never had a more loyal and helpful friend in our Congress than you have proven yourself to be upon all occasions. You have been strong in your advocacy for justice and fair dealings with the Indians, and have always protested strongly against any injustice and wrongs which have

been done the Indians, particularly the Cherokees and the other Indians of your State. I have a sense of personal gratitude to you for the services you have rendered my clients and take advantage of this occasion to express it.

Very sincerely yours,

C. C. CALHOUN.

APRIL 12, 1932.

DEAR MR. HASTINGS: Representing the Cherokees, I have been in Washington continuously since you were first elected to Congress and desire not only to agree with the statements made by Mr. Calhoun but to further state in my own behalf that it has been through your efforts that we have been able to secure the enactment of legislation through which the claims of the Cherokees, in nine suits, are now pending in the Court of Claims, and to say that no one could have been more loyal or rendered at all times more effective service. You have secured for us all of the legislation required to present these claims to the court.

Yours very truly,

FRANK J. BOUDINOT.

When these cases shall have all been tried and final judgments rendered, any amounts found due the respective tribes will be certified to Congress for an appropriation and will be available for distribution per capita among those found by the court entitled to share the same.

It has been a long struggle, but all of these cases have been filed, and certainly we may express the confident hope that they will all be tried during the coming fiscal year ending June 30, 1934.

SAVINGS AND EXPENDITURES OF THE SPECIAL SESSION OF THE SEVENTY-THIRD CONGRESS

MR. TABER. Mr. Speaker, at this time I feel that the people should be informed of the progress that has been made at Washington toward saving and spending money. I feel that these savings which should be counted are those that are sure to come. Those items where consolidations have been made, where an extra overhead will be superimposed, and where no saving will be made in all probability, I have left out.

Total savings

Veterans' Bureau	\$292,000,000
Salary cuts	100,000,000
Army	20,000,000
Navy	10,000,000
Agricultural provisions of Executive order of June 10	6,000,000
	428,000,000

The Veterans' Bureau savings totaled \$410,000,000 before the changes made by the Executive orders of June 6, 1933, and the amendment to the Economy Act contained in the independent offices appropriation bill. I do not count the \$50,000,000 by which that bill reduces the annual appropriations to amortize the bonus certificates, because that is not a saving but a postponement.

I have not included the savings for the Post Office Department, because none of the basic changes necessary to save the \$75,000,000 which has been estimated by the administration have been made, nor is there any prospect that any will be made. I have included the savings which can result from the Executive order of June 10. I have been very liberal in that and am certain that the procurement division means simply imposition of extra overhead.

The Veterans' Bureau figures I have shown above shows a slight difference, \$8,000,000, from the figures which I have previously given. This is due to the fact that the clerks of the Appropriations Committee estimated the result of the Senate amendment on veterans as it was finally agreed to a little different than I estimated it on Saturday last.

As against these savings we have the following increases in expenditures:

1. The so-called "labor camps" set up under the "Sapling Act" by which it was proposed to people to work for \$1 a day	\$250,000,000.00
2. The Wagner-Costigan dole to States	500,000,000.00
3. The third deficiency bill	1,408,451.13
4. The fourth deficiency bill	3,613,079,167.74
	4,364,487,618.87

Of these items, every single one is an appropriation, except as hereinafter outlined.

Every single one is an increase over previous appropriations. The outstanding items included are:

For public works	\$3,300,000,000
Farm-loan and home-loan banks	115,000,000
Bank-guaranty fund	150,000,000
Wagner-Costigan dole (is not directly an appropriation, but it is a loan not to be paid back by the Reconstruction Finance Corporation, so that it amounts to the same thing as a gift charged against the Treasury)	500,000,000

The net result of these operations is 4,065,000,000

The item of \$250,000,000 under the "Sapling Act" is being spent in a most riotous way. From one town in New Jersey three trains of Pullman cars went out to carry the boys to Idaho. Riding around in Pullmans, when the same money would relieve five times the distress in the cities, is ridiculous. Countless thousands of officers and supervisors of these people are included.

We have a total for expenditures of	\$4,065,000,000
We have a total possible savings of	428,000,000

Net increase 3,637,000,000

In addition to this legislation there are authorizations for appropriations amounting to:

To start the Domestic Allotment Act in operation	\$100,000,000
Provision which will add probably \$60,000,000 to our interest charge to carry out the provisions of the Farm Mortgage Act	60,000,000
Like provision for Home Mortgage Act	60,000,000
Additional authorization for the Tennessee Valley Authority, alias Muscle Shoals	50,000,000
To subscribe for preferred stock in insurance companies to the Reconstruction Finance Corporation	50,000,000
For Reconstruction Finance Corporation to loan money to closed banks, savings banks, and building-and-loan associations	300,000,000
Total authorizations	620,000,000

These figures must probably be added to what will be spent during the fiscal year 1934. The Treasury bonds outstanding increased since the 4th of March at the approximate rate of \$400,000,000 per month. This rate probably will be increased and the Budget will be unbalanced beyond the wildest dreams.

THE "BAKER'S DOZEN" AT WORK

MR. SNYDER. Mr. Speaker and Members of the House, when the Members of the Seventy-third Congress came to Washington for the inauguration, they were unofficially informed that they would be called back about the 1st of April for an extraordinary session. Most of them threw a few shirts and collars in a suitcase and came to Washington for the inaugural ceremonies expecting to return home in a few days.

Many of us remember the emotional and mental attitude of the people when the announcement was made that Hobson sank the *Merrimac* in Santiago Harbor. We also remember the mingled feeling and the excitement that followed the sinking of the *Lusitania* during the World War. Those were crucial and dark hours in the Nation's history.

However, I dare say that those hours were not so dark as the hours following the 4th day of March 1933, when it was discovered that the financial structure of the Nation had been broadsided with 16-inch guns to such an intense degree that it was necessary for the President to declare the bank holiday to save not only the little depositors but the entire financial fabric of the Nation.

This was the first of the many creative and constructive measures of our new administration and of our leader, President Roosevelt. This measure was followed during the next 14 weeks by other measures enacted by a Congress that were inspired and prompted solely on the basis of conserving and saving our national resources and credit.

It was most encouraging to a young Congressman to hear an older Member of the House say that the Members of the Seventy-third Congress had more courage and showed more initiative, purposeful activity, and willingness to sacrifice their own personal interests that the Nation might be again restored to prosperity than any of the former sessions he had sat in during his 20 some years of service.

In the 14 weeks referred to Congress spread upon the statute books a "baker's dozen" of administrative measures that embodies initiative and creative activities of a greater magnitude than any other similar measures ever enacted by a Congress. The people made up their minds that the old, boss-ridden governmental procedure that had plunged them into the most bottomless pit of depression must be thrown overboard, and they immediately proceeded to do this. Their attitude and determination spoke the words of Lincoln: That the Government should be "of the people, by the people, and for the people." As a result, a new era in behalf of the common people sprung into existence beginning March 4.

The measures I refer to as the "baker's dozen" are as follows:

- First. Wagner-Lewis emergency relief law.
- Second. Muscle Shoals and Tennessee Valley Development Act.
- Third. Supervision of traffic in securities law.
- Fourth. Emergency banking relief law.
- Fifth. Maintenance of Government's credit.
- Sixth. Beer-wine revenue law.
- Seventh. Emergency Agricultural Relief Act.
- Eighth. Reforestation unemployment relief bill.
- Ninth. Small Home Owners' Refinancing Act.
- Tenth. Railroad reorganization and relief law.
- Eleventh. Industrial recovery law.
- Twelfth. Glass-Steagall banking bill.
- Thirteenth. Independent Offices Appropriation Act.

As in substance expressed by the President, I do not expect all of these measures to work out 100 percent. The people do not expect them to work out 100 percent. We know that adjustments must be made as we go along in the application of the many set-ups in these measures. We know that discrepancies will creep in here and there. We know that when we come back to Congress in January 1934 that there will be a number of adjustments to be made relative to the social and economic application of different articles in these several laws or measures.

I was not wholly in accord with all the provisions and articles in all these 13 bills as enumerated above.

For instance, in the railroad reorganization and relief law, I personally would have inserted several different provisions. However, it was an omnibus measure; and with all but a few of the provisions acceptable to the majority in Congress, it was only fitting and constructive that I support the measure.

In the Glass-Steagall banking bill we find a number of provisions that did not exactly suit me—the wording and the set-up relative to branch banking and the article with reference to the insuring of bank deposits were not what I should like to have seen. But it was a great step forward, and the majority of the Members of Congress saw it that way. They saw that it was for the stabilizing of our banking system as well as for reestablishing the confidence of the people in our banking structure.

Again, in the independent offices appropriation bill, that portion which dealt with the pensions of war veterans did not suit me in many respects. I was one of the many to think that the clauses pertaining to the Spanish War veterans and the presumptive cases were not broad enough, and that the Spanish War veterans, particularly, should have greater financial assistance. But again, as you well know, it was an omnibus bill in nature, and embodied some 25 other major articles and sections, and upon its passage depended the working out of other major administrative measures which came under the administration program and carried with them the hope of putting millions of men back to work.

I join in attitude with most of the other Congressmen; that is, if these set-ups do not work out for the common good of all, we will have an opportunity after January 3, 1934, to adjust them. That is what 120,000,000 people virtually wanted us to do. We had our instructions from the masses to come to Washington and do something. One banker wrote me, "For God's sake, do something, even if it's the wrong thing. We have had everything wrong long

enough, and you can make things no worse." The people of the Nation wanted action; the President of the United States gave them action; the Congress of the United States gave to the President the authority to steer the ship of state.

Contrary to some few newspaper headlines, Congress did not give away any of its power. Congress can take back at any time any of the powers it gave to the President or to any other group. Thanks to the great news agencies and builders of public sentiment that give this Congress credit for having the courage to think through measures, come to conclusions, and pass upon them in such fashion that would start the wheels of progress and put the farmer, the laborer, and the little business man back to work.

INDUSTRIAL LOANS—A MEANS OF PROVIDING EMPLOYMENT AND ACCELERATING ECONOMIC RECOVERY

Mr. WALDRON. Mr. Speaker, under the various economic-recovery proposals enacted, or about to be enacted, by the first session of the Seventy-third Congress, practically every class of citizen, except the manufacturer and the business man, may obtain loans from the Reconstruction Finance Corporation, or certain of the new agencies created by these acts. These borrowers include States and municipalities, corporations engaged in building public and semipublic projects of self-liquidating character, banks, building-and-loan associations, insurance companies, railroads, and others. Credits have been extended farmers and provision has been made to take up farm mortgages. Home owners will likewise be able to obtain mortgage relief, or funds to pay taxes, to make improvements on their properties, or to save their homes from sheriff's sales.

Industry, which is the basic creator of employment and the source from which most of our revenue to run the Government comes, has received no consideration in the matter of obtaining funds to rehabilitate itself. Unless our great industrial population is employed, it cannot consume the products of the farm in quantities sufficient to pay the farmer a fair price for his products, and the huge future obligations created in the effort to assist agriculture will be met only through the ability of industry to furnish employment and consume the growers' products.

Under the agricultural-relief plan, many of the products the industrial worker consumes are to be taxed for the benefit of the farmer who reduces the acreage of his crops in an effort to control and eliminate great surpluses and thus give him better prices for the food produced and a fair profit for his labor. The industrial-recovery plan proposes to regulate business in an effort to spread employment and assure adequate wages. In the belief of many this plan will also increase prices and the farmer, as well as the consumer in the cities, will have to pay more for the manufactured articles he uses. From these manufactured articles the Government derives revenue by way of excise taxes, and from the business profits and the wages of industry it receives other revenue through the income tax. The farmer pays little or no income tax to the United States Government.

These new and untried experiments in the field of Government control approach economic recovery with an outstanding major difference, namely, the farmer can borrow funds from a generous Government to plant, harvest, and market his product, but the manufacturer and business man cannot borrow one single penny from any governmental agency. This failure to place industry and agriculture on the same basis in respect of financial assistance may seriously retard the recovery program and break down sources of potential revenue sorely needed to meet the huge expenditures to be made.

In my own district and elsewhere throughout the United States reputable manufacturers and business men tell me that they could resume operation of their plants and provide employment for thousands of workers if credits could be obtained. Normal credit sources, they declare, have been closed during the past few years. Money is hard to get. The banks and investment houses are either unwilling or unable to extend new credit to the manufacturers, and in many instances have called existing loans. Insurance companies, private investors, and others have no mortgage-in-

vestment funds available, and the free flow into commerce and industry of more than \$6,000,000,000 has been prevented by its impoundment in the more than 5,000 State and National banks which have remained closed or in the hands of conservators since the Presidential proclamation of March 4, 1933. Established and going concerns during this period have reorganized and rebudgeted to meet the competitive situation occasioned by the deflation of commodity prices, but the lack of working capital has reduced business to a hand-to-mouth basis, while stocks on hand have vanished. Many mills have closed their doors and labor has suffered unemployment. Business men throughout the country declare that if there were some governmental source through which they could obtain a reasonable amount of credit, they could resume the operation of their plants and furnish work for thousands of people. To place men and women upon a self-supporting basis and eliminate the unemployment doles which have been a burden to the various municipalities and States is a subject ardently to be desired and toward which we are all striving.

In an effort to provide the funds with which to assist industry to adjust itself, I have introduced three bills—H.R. 6095, H.R. 6114, and H.R. 6124.

H.R. 6095 proposes to amend section 5 of the Reconstruction Finance Corporation Act, as amended, so as to permit "any person" doing business within the United States, upon such security as is acceptable to the Corporation, to obtain a loan in an amount which shall not exceed 80 percent of the assessed value or 60 percent of the appraised value—which ever is lower—of the real-estate holdings of such person at the time the loan or advance is made. The term "person" is defined to mean an individual, a trust or estate, a partnership, a corporation, an association, or a joint-stock company.

H.R. 6114 eliminates the 80 percent assessed value limitation provided for in H.R. 6095, and limits the amount that can be borrowed to an amount which does not exceed 60 percent of the appraised value of the real-estate holdings of the borrower.

H.R. 6124 attempts to reach the situation in another way. Under section 201 (d) of the Reconstruction Finance Corporation Act loans may be made to "institutions" organized under the laws of any State or in the United States and having resources adequate for their undertaking, for the purpose of enabling such institutions to finance the "carrying and orderly marketing of agricultural commodities and livestock products" in the United States. No unincorporated individual can borrow under these provisions for the very limited purposes set forth. H.R. 6124 removes the limitation restricting borrowers to those engaged in "carrying and marketing agricultural commodities and livestock", and empowers the Corporation to make loans or advances to bona fide individuals—as well as institutions—for the purpose of enabling them "to finance agriculture, commerce, and industry" upon such security and in such amounts as the Reconstruction Finance Corporation Act permits. This measure is much broader in its scope than the other bills, but will also furnish the relief sought.

In the belief that there would be a freer flow of capital into industry, or that some provision would be made to assist the manufacturer, I delayed bringing this matter to the attention of the House. No visible change has taken place in the general situation, however, and nothing is included in any of the administration's proposals to provide the manufacturer with this much-needed working capital. To open the doors of the Treasury to one of the two great groups of citizens—agriculture and industry—who are a part of these plans and to deny the same privilege to the other group—which group is the source of the revenue from which those funds are to be obtained—seems to me to be nothing short of economic disaster. Under such a policy the stronger concern will survive, but the weaker concern, even though long established and respected in the business world, will be compelled to close its doors and remain closed unless relief is furnished. I urge you, therefore, to plug up this one great loophole in the scheme for economic recovery lest it wreck the entire machinery.

In my opinion the passage of one of these measures will do more to furnish immediate employment for thousands of industrial workers than any other proposal. It will accelerate production and restore confidence to the manufacturer, the worker, and the consumer.

ACCOMPLISHMENTS OF THE FIRST OR SPECIAL SESSION OF THE SEVENTY-THIRD CONGRESS

Mr. LOZIER. Mr. Speaker, now that the first or special session of the Seventy-third Congress has ended, I consider it proper to comment on its accomplishments. In the whole range of human history no Congress, Parliament, or other legislative body has ever accomplished so much in such a short space of time, and I think I am keeping within the truth when I say that no other Congress has ever placed on the statute books more liberal, progressive, forward-looking, and constructive legislation than the Congress that recently closed its sessions.

This Congress marked the beginning of a new era in our national history, the commencement of a new economic age, a period of transition from an old to a new order, from policies worn threadbare by time and experience to more practical formulas, more idealistic conceptions of the functions and purposes of government, more practical methods to establish social justice and make our Government the servant rather than the master of the people.

The following are some of the major accomplishments of the recent session of Congress under the superb leadership of President Roosevelt:

1. The Industrial Recovery Act.
2. The public-works program.
3. The modification of the Volstead law.
4. The resolution for the repeal of the eighteenth amendment.
5. The emergency banking legislation.
6. The Farm Relief Act.
7. The Muscle Shoals-Tennessee Valley Authority.
8. The Wagner human relief appropriation.
9. The creation of national employment agencies.
10. The emergency railroad legislation.
11. The Farm Loan Mortgage Act.
12. The Home Loan Mortgage Act.
13. The Securities Regulation Act.
14. Banking and currency reform.
15. The revenue-producing proposals.
16. The reduction of postage rates.
17. The bill authorizing the President to reduce and consolidate Federal agencies.

As 1 of the 13 Representatives of the great State of Missouri in the lower House of Congress, I supported each and every one of these measures, and whatever influence I had was ungrudgingly exerted to sustain the President and put over his legislative program. My record is 100 percent in support of President Roosevelt and the policies of his administration. I do not mean to say that I approved each and every major or minor item in his legislative program, because, as I have heretofore stated, I have serious doubts as to the wisdom, constitutionality, and workability of some of his proposals. But as a whole no more progressive and benevolent program was ever submitted by an executive to any Parliament or Congress. The questionable provisions to which I have referred may be abandoned if it be found that they are unwise and unworkable without in any manner impairing the usefulness of the major activities established by this legislation.

Being in full accord with the President on most of his proposals, I was willing to subordinate my judgment to that of the President on the comparatively few questions where we were in disagreement, because the American people were looking to and depending on President Roosevelt to lead them out of the wilderness, and I did not feel that I should veto any part of his program. Each measure enacted by Congress at the request of the President was a necessary part of a comprehensive plan for lifting the depression, avoiding economic chaos, and restoring normal national life. Each bill was an important part of a legislative machine through the operation of which the return of prosperity is to

be hastened and assured. The defeat of any one of the President's bills would have had the same effect as the removal from a machine of one or more of its important parts. No one measure provided relief for every vocational group, but relief was provided in the several acts for every occupation and for people in all the walks of life.

In supporting some of these measures I was helping the Democratic Party carry out its platform pledges. As a life-long Democrat and one who has been honored by my party, I have never opposed the creed or platform declarations of the Democratic Party, and as long as I stay in public life I will never use my voice or vote to prevent our party from fulfilling its platform or pre-election pledges.

I shall not attempt in this statement to explain the provisions of the 17 major laws enacted during the recent session of Congress, but I will say that the President's program has been adopted, and we are now making splendid headway in our war against depression and the forces of fear. We have clothed the President with adequate powers to meet every emergency and bring the country back to a condition of prosperity, contentment, and happiness. Under the wise and patriotic leadership of Franklin D. Roosevelt, and with the cooperation and support of the American people without regard to their politics, we may with confidence expect a rehabilitation of our agricultural, industrial, financial, and commercial structures and a restoration of Nation-wide prosperity.

The following is a brief summation of the extraordinary powers conferred on the President to enable him to deal with the unprecedented economic conditions and emergencies. The President was given the power to allocate appropriations for public works; to reduce first-class mail rates; to alter tariffs, levy quotas, and establish embargoes, with the advice of the United States Tariff Commission; to regulate or prohibit the interstate shipment of oil produced in violation of State quota laws; to regulate and coordinate industrial production and banking and railroad operations; to develop and operate Muscle Shoals; to alter the gold content of the dollar; to remonetize silver; to suspend or alter, within limits, governmental contracts, including Federal salaries, pensions, and allotments, and air and ocean mail subsidies.

Under the Industrial Recovery Act, public-works measure, Agricultural Adjustment Act, Wagner Human Relief Act, emergency railroad legislation, Securities Regulation Act, and other major legislative measures, the President has been given exceedingly broad powers to meet this epoch-marking, history-making depression.

The record of the Democratic President and of the Democratic Congress will meet with almost universal public approval, and justifies the continued confidence of the American people in both the President and Congress. I shall always be proud of the fact that I was a Member of the first or special session of the Seventy-third Congress, which, under the wise leadership of President Roosevelt, rolled back the tide of depression, grappled with and overcame the forces of fear and disaster, and pointed the way to better and more prosperous days.

I desire to pay a deserved tribute to the Republican Members of Congress, who, in a fine spirit of cooperation, joined the Democratic majority in putting over the President's legislative program. The Republican minority gave cordial and patriotic support to practically all the measures recommended by President Roosevelt. Indeed it is a source of pride and satisfaction that both Democratic and Republican Members of Congress, realizing the gravity of the situation, for the time being forgot politics and partisanship and united in the prompt enactment of these emergency measures.

REVIEW OF THE LEGISLATION OF THE SPECIAL SESSION OF CONGRESS

Mr. GIBSON. Mr. Speaker, true to its practice when in control of the Government but false to its preachments and professions when not in power, the Democratic Party, with its huge majorities in both Houses of Congress, in its mass

production of legislation during this special session, has made 12 distinct raids on the Civil Service system, and otherwise, by threats and attempted emasculation of the Civil Service law has made the merit system a hollow mockery. These actual raids and these attempted inroads upon the Civil Service have created a sense of insecurity among faithful and efficient public servants, many thousands of whom are affiliated in their political principles with the Democratic Party, and have all but demoralized the public service. Under the plea of emergency many new agencies have been created necessitating the employment of thousands of employees who will be appointed as the spoils of Democratic victory and thus undermine the already weakened merit system.

The jobs newly created and placed outside the Civil Service law should be utilized to take care of efficient Government employees who will be furloughed as the result of the economy program of the Democratic administration, and arrangements made to transfer competent employees from bureaus that are to be abolished to the new agencies which are being set up.

The President has the authority under the Civil Service law to do these things and prevent injustice to worthy employees and disservice to the Government itself, but the deliberate and successful effort of the Democratic majorities in Congress to fill all new jobs with hungry Democrats by disregarding the merit system renders Executive interference doubtful, notwithstanding the President's alleged sympathy with the merit system.

A review of the legislation of this special session with its vast grants of power to the President and its enormous and bewildering appropriations shows, in respect to the Civil Service, a studied and an avowed purpose to capitulate to the hungry job seekers at the expense of the taxpayers and of the merit system.

When the emergency relief bill, otherwise known as the "dole bill", was under consideration in the House it contained originally the following provision:

The administration may appoint and fix the compensation of such experts and, subject to the provisions of the Civil Service law, appoint and, in accordance with the Classification Act of 1923, as amended, fix the compensation of such other officers and employees as are necessary to carry out the provisions of this act.

For these purposes the bill made \$350,000 available.

In Committee of the Whole the gentleman from Arkansas [Mr. FULLER] succeeded by an amendment in striking out the words:

Subject to the provisions of the Civil Service laws, appoint and, in accordance with the Classification Act of 1923, as amended.

In the House a separate vote was taken on this amendment by the yeas and nays on the demand of the gentleman from Massachusetts [Mr. LUCE], a staunch friend of the merit system.

This vote resulted, yeas 215, nays 161; so the obnoxious amendment was agreed to. But be it said to their credit that 51 Democrats joined 110 Republicans in voting against the amendment, and not a single Republican voted for it. (CONGRESSIONAL RECORD, April 21, 1933, pp. 2121, 2128.)

The Senate restored to the bill the language stricken out by the House and the bill went to conference. The conference committee, by exceeding its authority, again eliminated the provision and substituted for it the following:

The Administrator may appoint and fix the compensation of such experts and their appointment may be made and compensation fixed without regard to the Civil Service laws or the Classification Act of 1923, as amended.

The conferees discovered that to effect this purpose, it was not enough merely to strike out the original words, but to insert a positive provision to disregard the Civil Service laws. This provision would clearly have been subject to a point of order as exceeding the authority of the conferees had the conference report been considered in the usual way, but in their zeal for spoils the Democratic-controlled Rules Committee brought in a drastic rule waiving points of order, and this rule was adopted against the protesting votes of 27

Democrats and of the votes of Republican and Farmer-Labor Members. (CONGRESSIONAL RECORD, May 9, 1933, pp. 3085, 3089.)

The gentleman from Arkansas [Mr. DRIVER] in his remarks on the drastic rule reported by him made this statement:

The only opposition will come from those who believe in the adherence to the Civil Service law in all legislation and that it should be applied to the personnel to be selected for the administration of this law. (CONGRESSIONAL RECORD, May 9, 1933, p. 3085.)

The vote shows that the only opposition came from Republican and Farmer-Labor Members "who believe in the adherence to the Civil Service law."

In vigorous defense of the Civil Service laws three Republicans stated their belief in adherence to the Civil Service laws and the time-honored position of the Republican Party in favor of the merit system. The gentleman from Michigan [Mr. MAPES] declared:

I have been an advocate of the Civil Service ever since I entered public life, and I do not like to see it torn down. (RECORD, May 9, 1933, p. 3087.)

The gentleman from Massachusetts [Mr. MARTIN] said:

I hope the Democratic Party does not intend to stultify itself by taking this extreme method of getting a few patronage jobs. * * * I believe the American people believe in the Civil Service, and personally I do not believe that the President of the United States is in favor of what we are asked to do today. * * * I ask you to think seriously of what you are doing in striking down the Civil Service laws, which Democrats as well as Republicans have supported for many years. (CONGRESSIONAL RECORD, May 9, 1933, p. 3086.)

And the gentleman from Massachusetts [Mr. LUCE], in his usual forceful and logical way, reviewed the history of the pending proposition and its purpose to despoil the Civil Service, and reviewed also the history of the Civil Service law passed 50 years ago, the father of which was George H. Pendleton, a Democratic Senator from Ohio. Mr. Luce read the first sentence of the Civil Service law, as follows:

The President is authorized to proscribe such regulations for the admission of persons into the Civil Service of the United States as may best promote the efficiency thereof, and ascertain the fitness of each candidate in respect of age, health, character, knowledge, and ability for the branch of service into which he seeks to enter.

Mr. LUCE then made the following statement, which it would be well for Democratic spoilsmen to remember:

It was the speech of Senator Pendleton that did most to secure the passage of the law of which I have read the first sentence as it now stands. In its course he reminded the Senate that Jefferson on taking office in 1801 had established fidelity, capacity, and honesty as the tests. I know how unfashionable it is now to quote Thomas Jefferson. The gentlemen on my right have forsaken his doctrines, trodden on them, turned their backs on them, and now of Thomas Jefferson it may be said that on my right "there is none so poor to do him reverence." Ah, they worship now at the altar of Andrew Jackson, and it is idle for me to repeat these words of Jefferson to men who have forgotten even his existence.

Mr. Pendleton further said that—and here I venture to read in order that I may be correct—describing the condition to which the conduct of government had been brought by the belief of Jackson and the utterance of Marcy, "To the victors belong the spoils."

I do not say that the Civil Service of the Government is wholly bad. * * * But I do say that the Civil Service is inefficient; that it is expensive; that it is extravagant; that it is in many cases and in some senses corrupt. * * *

This whole system demoralizes everybody who is engaged in it. It demoralizes the clerks who are appointed. That is inevitable. It demoralizes those who make the appointment. That also is inevitable. And it demoralizes Senators and Representatives who, by the exercise of their powers as Senators and Representatives, exert pressure upon the appointing power.

Mark you, these words of a great Democrat, a man incorruptible and fearless, a champion of the welfare of the country:

I believe that the existing system which, for want of a better name, I call the "spoils system", must be killed or it will kill the Republic. I believe that it is impossible to maintain free institutions in the country upon any basis of that sort.

I believe the spoils system to be a great crime. I believe it to be fraught with danger. I believe that the highest duty of patriotism is to prevent the crime and avoid the danger.

And so, if you do not care to decide this question today upon the issue of whether you will trust your President, turn

to these words, dwell upon them in your minds, let them appeal to your judgments, and to your conscience, and do not now, when first the opportunity squarely presents itself, say that it is your wish to return to that system which menaced the very life of the Republic itself. (CONGRESSIONAL RECORD, May 9, 1933, p. 3089.)

In connection with the Civilian Conservation Corps, created by the act of March 31, 1933, which the Senator from Louisiana [Mr. LONG] referred to as the "sapling bill", it appears from information furnished the House by the gentleman from Mississippi [Mr. COLLINS] that 20,300 civilian employees at average pay of \$140 per month had been appointed up to the end of May to supervise the forestation work of 274,375 registrants. This new army of civilian employees were appointed without regard to the Civil Service law, although the Reforestation Act did not so provide, as was the case in other emergency acts. Their employment, whether under Civil Service regulations or not, was discretionary with the administration, and in the absence of regulations, prescribed by the President, for their selection from eligible lists of the Civil Service Commission they were, of course—20,300 of them—placed on the Government pay roll without regard to the Civil Service law.

The men enlisted in the Civilian Conservation Corps were not required to take the oath of enlistment, although operating under the direction of Army officers, and yet they receive more pay than the regularly enlisted men of the Army, and are not subject to the same discipline; and in case of death the widow of a man who serves in one of these temporary jobs in the woods would receive \$45 per month under the compensation law while the widow of a soldier would receive, in most cases, less than half that amount.

The national employment system created by the act of June 6, 1933 (Public Law No. 30, 73d Cong.), replacing the old system under the Department of Labor, provides for employment agencies throughout the country to act in conjunction with like State agencies, requiring the services of a host of employees, all of whom are to be appointed and their salaries fixed, without regard to the Civil Service laws, as will be seen by the following provision of the act:

The Secretary of Labor is authorized, without regard to the Civil Service laws, to appoint and, without regard to the Classification Act of 1932, as amended, to fix the compensation of one or more assistant directors and such other officers, employees, and assistants, and to make such expenditures for personal services * * * as may be necessary to carry out the provisions of this act.

This will be good news for the hungry army of faithful partisans who already are clamoring for these jobs, but is it another blow at the merit system?

Another haven of refuge for the spoils hunter was provided in the Federal Emergency Relief Administration Act (Public Law No. 15, 73d Cong.), whereby a dole of \$500,000,000 is to be given away to States and individuals. This act provides—

The Administrator may appoint and fix the compensation of such experts and their appointment may be made and compensation fixed without regard to Civil Service laws or the Classification Act of 1923, as amended, and the Administrator may, in the same manner, appoint and fix the compensation of such other officers and employees as are necessary to carry out the provisions of this act.

The Tennessee Valley Authority Act (Public Law No. 17, 73d Cong.), better known as the "Muscle Shoals bill", sets up a "corporation" designated as "the board", composed of three members appointed by the President, and all other officials, agents, and employees are to be designated or selected by the board.

Following closely the language of other acts disregarding the Civil Service laws, it is provided in this act that—

The board shall without regard to the provisions of Civil Service laws applicable to officers and employees of the United States, appoint such managers, assistant managers, officers, employees, attorneys, and agents as are necessary for the transaction of its business, fix their compensation, * * * and provide a system of organization to fix responsibility and promote efficiency.

The last words "and promote efficiency" were doubtless added with a pang of conscience as a generous concession

to the merit system. What a splendid opportunity is here afforded to acquire a trained, efficient personnel from the ranks of thousands of qualified Civil Service employees who have been and will be guillotined and those placed on indefinite furloughs by the various economy measures.

Even the act to help home owners from foreclosures of mortgages on their homes did not escape the attention of the marauding spoils hunter, for we find in the Home Owners' Loan Act (Public, No. 43, 73d Cong.) a broad, sweeping power to the Home Owners' Loan Corporation, created by that act, to appoint at will its employees and to fix their salaries.

Here is the provision:

The Corporation shall have power to select, employ, and fix the compensation of such officers, employees, attorneys, or agents as shall be necessary for the performance of its duties under this act, without regard to the provisions of other laws applicable to the employment or compensation of officers, employees, attorneys, or agents of the United States.

In other words, the Civil Service laws and the Classification Act are to be ignored and inapplicable and the door is thrown wide open to an insatiable horde of "victors" in question of the spoils of victory.

In conferring upon the Secretary of Agriculture absolute power over the destiny of farm operations, the authors of the Farm Relief Act, with all of its far-reaching provisions into an untrodden field of governmental experiment, did not overlook the little matter of jobs made necessary for the administration of its complex machinery.

In section 10 of that act (Public, No. 10, 73d Cong.) it would seem at first glance as though its sponsors really purposed to give the merit system some recognition when we read:

The Secretary of Agriculture may appoint such officers and employees, subject to the provisions of the Classification Act of 1923 and acts amendatory thereof, and such experts as are necessary to execute the functions vested in him by this title.

But the Classification Act is one thing and the Civil Service laws are something else. The former is good enough for classification purposes after appointments are made, but when we come to the matter of making appointments we find this further provision—

And the Secretary may make such appointments without regard to the Civil Service law or regulations.

Here again we run across our old Civil Service nemesis, those fatal words, "Without regard to the Civil Service laws."

How much of the huge sum of \$100,000,000 appropriated for administrative expenses will be used for "classified" jobs without regard to the Civil Service laws remains to be seen.

Under the provisions of the same act the Farm Loan Commissioner is authorized to appoint, employ, and fix the compensation of such officers, employees, attorneys, and agents as may be necessary to carry out the purposes of this title * * * without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States.

The production credit corporations and the production credit associations created under the Farm Credit Act, as in the case of other farm-relief agencies, will select their personnel and administer the law "without regard to the Civil Service laws and regulations."

Still another agency created by the Securities Act (Public, No. 22, 73d Cong.), designated as the "Corporation of Foreign Security Holders", is authorized—

To select, employ, and fix the compensation of officers, directors, members of committees, employees, attorneys, and agents of the Corporation without regard to the provisions of other laws applicable to the employment and compensation of officers or employees of the United States.

Perhaps of all the instrumentalities created by Congress involving difficulty in administration and requiring the greatest number of civilian employees is that of the Federal Emergency Administration of Public Works under the provisions of the National Industrial Recovery Act (Public, No. 67, 73d Cong.).

One has only to read this act without attempting to understand its intricacies to see the possibility of an addition to the Federal pay roll of thousands of officers and employees "without regard to Civil Service laws." Not only does this law provide for outright new appointments but it reaches out and embraces such State and local officers and employees as may be found necessary and add them to Uncle Sam's roster with such pay as may be prescribed. What a grand opportunity this affords to dump upon the Federal pay roll untold numbers of State, county, and city employees and thus relieve local governments of that burden; and incidentally it will follow as a matter of course that care will be exercised by Mr. Farley, the lord high executioner and dispenser of patronage de luxe, to see that only those drafted for this service have the proper password, "come across", from local Democratic political chieftains. There is more than one way, it seems, to meet that deficit in the Democratic campaign chest.

The power to appoint is vested in the President, but he is authorized to delegate this power, which he will no doubt do.

The law has the same provision as in others herein quoted—that is, the authority "to appoint, without regard to the Civil Service laws, such officers and employees as he may find necessary"—but it goes still further and provides for the appointment of—

such State and local officers and employees as he may find necessary; to prescribe their authorities, duties, responsibilities, and tenure; and without regard to the Classification Act of 1923, as amended, to fix the compensation of any officers and employees so appointed.

Encouraged by these wholesale assaults upon the merit system another and even greater inroad was attempted and was partially successful in the closing days of the session.

Without the consideration its importance deserved a bill was passed in another body lifting at least 5,000 positions from the Civil Service system and placing them in the patronage bag. This bill (S. 1869) reads as follows:

That notwithstanding any other provisions of law after this act becomes effective, all appointments to office in the executive branch of the Government of the United States at a rate of compensation in excess of \$5,000 per annum shall be made by the President, by and with the advice and consent of the Senate: *Provided*, That the provisions of this act shall not apply to appointments by the President of persons as secretaries or clerks in his service.

As originally introduced and reported from the committee the bill required Presidential appointment and confirmation by the Senate of all positions paying more than \$3,500. Left in this form the bill would have covered thousands of men and women in technical and administrative fields, experts in their lines of work, and made them the prey of politics. This was so clearly unjust and destructive of good service that the bill was amended before its hasty passage so as to effect only positions paying more than \$5,000.

This bill came to the House on the eve of final adjournment and was referred to the Committee on the Civil Service, where all true friends of the merit system hope it will repose indefinitely.

As further indicating a determined purpose to render the Civil Service laws ineffective and to flout the merit system a bill was reported favorably from the Committee on Civil Service in another body on June 13, 1933, but was not reached for consideration. This bill speaks for itself in the following language:

That after the date this act takes effect the Civil Service laws shall not be construed to apply to any office or position in the Government covered into the classified Civil Service by Executive order, or any officer or employee of the Government appointed to the classified Civil Service without examination after March 4, 1929, and prior to the date this act takes effect.

Sec. 2. After the date this act takes effect the Civil Service laws shall not be construed to permit the covering into the classified Civil Service of any office or position not included therein, or the appointment to the classified Civil Service of any person without examination, unless the Congress shall specifically so provide: *Provided*, That in all cases where employees not officials have heretofore been covered into the Civil Service by Executive order, such employees may be allowed to stand a special competitive Civil Service examination for the places they now hold.

Another blow at the merit system was the "involuntary retirement" provision in the independent offices appropriation bill.

The measure itself appears to be guileless—

Says a commentary—

It purports to extend a privilege to employees who are dismissed after 30 years or more of service. But the possibility that this measure might be used as a means of reducing Civil Service personnel makes thousands of faithful servants of the Government uneasy over their jobs.

When the plan of eliminating employees who have been in the service for 30 years or more was first submitted to Congress by the Budget Bureau it provided for compulsory retirement. Under that arrangement 22,000 Government workers would have been arbitrarily dismissed. Congress refused to sanction a measure so drastic. The original plan underwent considerable modification in both the House and the Senate, but as finally approved it permits the President to withdraw much of the protection which now surrounds employees who have devoted most of their lives to Government service.

The law merely gives Federal workers who are involuntarily separated from the service after 30 years a right to retirement pay. But this opens the way for dismissals on a grand scale among employees in this class. Government workers are rated on their efficiency, length of service, dependability, material status, and military service. The President may, by Executive order, eliminate length of service as a factor in employees' ratings, thereby destroying the seniority advantage they have built up over many years.

That it would be an injustice to oust middle-aged employees from their jobs because they have served 30 years is apparent to every one. Many capable specialists, administrators, and division chiefs may thus be forced out through the caprice of a department head. Employees who have served the Government for long periods in a nonpartisan spirit under the promise of security in their positions may suddenly be displaced for political reasons, and they would be denied any appeal to higher authority.

This prospect is extremely discouraging to men and women who plan to enter the Government service as their life's work, as well as to those whose careers may be thus terminated. The Government would be under a handicap in securing efficient and impartial service. If advantage should be taken of the opportunity Congress has given to emasculate the safeguards of the Civil Service, the morale of the Federal personnel will be seriously impaired.

Since the passage of the Civil Service Law, 50 years ago, every President has exercised his authority under it to extend the merit system by covering into the Civil Service through Executive order various classes of employees, temporary appointees primarily who demonstrated their fitness by experience and whose services were required by the Government. Doubtless this practice, in rare instances, may have been abused in both Democratic and Republican administrations for partisan purposes, but in the main and in large degree the Government service has been benefited and the merit system extended and strengthened.

During the World War thousands of additional employees were required, and it is a well-known fact that President Wilson covered many of them into the Civil Service, where they are to this day. Appointees, many of them in so-called "key" positions, appointed during the Wilson administration, were undisturbed in their positions during the subsequent Republican administrations.

It has been said upon the floor of the House recently that positions at the disposal of the Reconstruction Finance Corporation were filled without regard to the Civil Service laws and that they were filled by the appointment of Republicans. The first part of this statement is true, but the latter part is absolutely contrary to the facts. It is well known that President Hoover appointed a prominent Democrat, former Senator Atlee Pomerene, as chairman of the Corporation, in order to avoid the appearance of partisanship; and the subordinate employees of the Corporation in all of its various ramifications were selected for their qualifications. The truth is that, according to the best obtainable information, as many appointees in that service were Democrats as there were Republicans.

It is a fair statement that by and large, throughout the life of the Civil Service law for a half century, the Republican Party, in practice as well as in promise, as a party, with individual exceptions, has been the friend of the merit system; and that, by and large, in the main, the Democratic

Party, as a party, with individual exceptions, has been the party of spoils and the foe of the merit system.

The distinguished gentleman from Alabama [Mr. BANKHEAD], an able leader of the Democratic Party in the House, reflected the views of his party associates, with some exceptions, when he frankly admitted in an outburst of partisan zeal on the 22d of last March his antipathy for the merit system. His remarks warmed the cockles of his Democratic colleagues' hearts, as evidenced by their vociferous applause.

After saying that he would vote to abolish the whole system the gentleman from Alabama, in true Jacksonian style, exclaimed:

I may say I do hope and pray, adopting somewhat the spirit of old Andrew Jackson on these propositions of rewarding the faithful, inasmuch as we have so many faithful and so many deserving, that we will not be limited in some of the new offices that are to be filled to merely the crumbs that fall from the table, but that we may have some of the loaves and fishes, and that the rights and interests of really deserving Democrats will not be forgotten. (CONGRESSIONAL RECORD, Mar. 22, 1933, p. 736.)

It is no wonder, in view of the raids on the merit system by the Democratic Party, with its tremendous majorities in Congress, that the National Civil Service Reform League should come to life and make a vigorous protest in its annual report.

Not since Grover Cleveland's administration—

Says the league's report—

has the merit system had to face a serious challenge to its existence as it faces now upon the latest change of administration.

And the report goes on to say, referring to the numerous new agencies created:

The new administration has turned its back upon the only method of safeguarding these new agencies from maladministration. Without a single exception, these new agencies thus created have been thrown open to the political spoilsman to do with as they see fit. The excuse given when objection had been made to exemption from the Civil Service tests has been that these agencies are a part of the emergency program and that they may be temporary in character. A more specious excuse could not be devised to hoodwink the public. * * * It would be tragic if the recovery program were to be defeated or impeded by the clamor for spoils of office.

And now comes the crowning infamy against the merit system, the capstone to the monument of Democratic deprecations, a frontal attack upon the Library of Congress, an institution above all others upon which the spoilsman has not dared heretofore to lay his unholy hands. One of the distinguishing features of that great Library, to which is attributable its marvelous efficiency, is its absolute freedom and separation from partisan politics. Its well-trained corps of experts and attendants are men and women who have been specially trained for library work, and now to disrupt that force, which has been built up through years of painstaking care, and make a shambles of it to satisfy the desire of politicians in quest of prey would be nothing short of a crime.

And yet it is seriously proposed to do this very thing. An account of this atrocious undertaking is given in an Associated Press dispatch, from which the following is quoted:

DEMOCRATS UNITING TO GET G.O.P. JOBS—HOUSE MEMBERS DISSATISFIED WITH FARLEY'S POLICY IN HANDLING PATRONAGE

Democratic House Members, dissatisfied with the way Postmaster General Farley is passing out patronage, have organized a special committee to find jobs for Democrats which are now being held by Republicans.

The committee was created by the Democratic National Congressional Committee. Representative MCCLINTIC, of Oklahoma, was named chairman. He said yesterday that Members of the House were so harassed by job seekers that, having failed to get the administration to take on Democrats, they had decided to try to find some jobs for their constituents.

The committee first turned its study to the 800 places in the Library of Congress, where the pay roll amounts to \$773,360 annually and salaries run from \$1,200 to \$6,000 a year. These employees are not under the Civil Service and may be filled by Presidential appointment.

"There are about 800 employees in the Library of Congress," MCCLINTIC said. "The best check-up we can make is that about 40 or 50 are Democrats. Most of the others are Republicans and nearly all of them have been appointed in the past 12 years. At least 50 percent were appointed during the Hoover administration."

"We have tried to find out about these people holding these good jobs, but they won't give up all the information we want."

McCLINTIC said a check-up showed that most of them came from Illinois, Pennsylvania, Maryland, and Virginia, and that about 50 were foreigners.

McCLINTIC wrote a letter to his Democratic colleagues saying:

"The special committee appointed by the congressional committee to make a study for the purpose of bringing about more efficiency has endeavored to secure all the information available concerning employees in the Congressional Library who are employed from your State.

"It has been difficult to obtain detailed information concerning the identity of each person, and we are going to suggest that you call your delegation together and submit this list for identification.

"After you have done so, if you are desirous of supplementing any of the persons listed, it is our suggestion that you have the delegation present endorsements favorable to the persons you would like to have appointed and file the same with the Honorable James A. Farley, chairman of the Democratic National Committee, with the request that such persons as you have in mind be named to fill such vacancies.

"The committee also suggests that it would be advisable to contact the Democratic Senators from your State for the purpose of finding out whether any of those on this list have the kind of status that will entitle them to retain their present position."

The committee requested that the Members recommend "only such persons who are well qualified from an educational standpoint" for the positions. It added there was no desire to impair the efficiency of the institution.

"The committee further desires to say that the States are not equally represented in the present apportionment," the letter said, "and if some arrangement can be made to give additional employees to States that are not properly represented it will be a pleasure on our part to cooperate in the best manner possible."

McCLINTIC said many Members of the House were "almost afraid to go home, because they haven't been able to get any jobs for deserving Democrats in their districts."

He said there were many Republicans still on the Federal pay roll, that should be replaced as quickly as possible, and that his committee would cooperate with Farley in expediting the changes.

Is the Library of Congress, one of the greatest libraries in the world, to be dismantled in its personnel to appease the appetite of hungry office mongers and to furnish a spoils holiday for faithful partisans? By all means this great temple, which exemplifies the wisdom and practical results of the merit system, should not be defiled.

FINANCIAL INTERESTS SHOULD NOT DICTATE FOREIGN POLICY OF UNITED STATES GOVERNMENT

Mr. McFADDEN. Mr. Speaker, I doubt if the history of the relations between this country and Russia is known to every American citizen. It may not be considered amiss, therefore, if I dwell for a few moments on our past relations with that strange and interesting country. To do so it will be necessary for me to go back to the late eighties and the early nineties of the last century, when the United States was turning the corner and becoming rich and powerful. At that time a man named Jacob Schiff came to this country as the agent of certain foreign money lenders. His mission was to get control of American railroads. This man was a Jew. He was the son of a rabbi. He was born in one of the Rothschilds' houses in Frankfort, Germany. He was a small fellow with a pleasant face and, if I remember correctly, his eyes were blue. At an early age he set out from Frankfort to seek his fortune and went to Hamburg, Germany. At Hamburg he entered the Warburg banking establishment. The Warburgs of Hamburg are bankers of long standing, with branches in Amsterdam and Sweden. After Schiff had served his time with them, he went to London and worked with their London correspondents. He was also connected with the firm of Samuel Montagu & Co., the London gold merchants. When he came to this country, he was well equipped to do business as an international money changer. He knew how to be polite, he could write a smooth letter, and he always pretended to be a man of holiness and a philanthropist.

Sometime before Schiff's arrival there was a firm of Jewish peddlers or merchants in Lafayette, Ind., by the name of Kuhn & Loeb. I think they were there about 1850. Probably they made money out of the new settlers who passed through Indiana on their way to the Northwest. This firm of Jews had finally moved to New York and had set themselves up as private bankers and had grown rich. Jacob Schiff married Teresa Loeb and became the head of Kuhn, Loeb & Co. Schiff made a great deal of money here for

himself and for the Jewish money lenders of London. He began to give orders to Presidents almost as a matter of course. He appears to have been a man who would stop at nothing to gain his own ends. I do not blame him for being a Jew. I blame him for being a trouble maker.

Russia had a powerful enemy in this man, Jacob Schiff. The people of the United States were taught to believe that this enmity of his was caused by wrongs done to Russian Jews. I look elsewhere for the motives which animated him.

In the 1890's Schiff was the agent in this country of Ernest Cassell and other London money lenders. These money lenders were looking forward to a war between England and Russia and were making preparations for propaganda designed to support England in the United States. This country was then a debtor nation, paying a high yearly tribute to Schiff and his principals. Schiff accordingly took it upon himself to create a prejudice in the United States against Russia. He did this by presenting the supposed wrongs of the Russian Jews to the American public. Unpleasant tales began to appear in print. School children in this country were told that Jewish children were crippled for life by Russian soldiers wielding the knout. By unfair means a wedge was driven between Russia and the United States.

One of Schiff's schemes was a sort of wholesale importation of Russian Jews into the United States. He drew up divers and sundry regulations for the temporary transplantation of these Jewish emigrants. He would not, he said, have them enter this country through the port of New York, because they might like New York too well to leave it for the outposts he had selected for them. He said it would be best to have them come in at New Orleans and to have them stay there 2 weeks, "so that they could pick up a few words of English and get a little money" before setting off for what he called the "American hinterland." How they were to get the money he did not say.

Aided by Schiff and his associates, many Russian Jews came to this country about that time and were naturalized here. A number of these naturalized Jews then returned to Russia. Upon their return to that country, they immediately claimed exemption there from the regulations of domicile imposed on Jews; that is, they claimed the right to live on purely Russian soil because they were American citizens, or "Yankee" Jews. Disorders occurred and were exploited in the American press. Riots and bombings and assassinations, for which somebody furnished money, took place. The perpetrators of these outrages appear to have been shielded by powerful financial interests. While this was going on in Russia, a shameless campaign of lying was conducted here, and large sums of money were spent to make the general American public believe that the Jews in Russia were a simple and guileless folk ground down by the Russians and needing the protection of the great benefactor of all the world—Uncle Sam. In other words, we were deceived. We were so deceived that we allowed them to come in here and to take the bread out of the mouths of our own American citizens.

I come now to the time when war was declared between Russia and Japan. This was brought about by a skillful use of Japan so that England would not have to fight Russia in India. It was cheaper and more convenient for England to have Japan fight Russia than to do it herself. As was to be expected, Schiff and his London associates financed Japan. They drew immense quantities of money out of the United States for that purpose. The background for the loans they floated in this country had been skillfully prepared. The "sob stuff", of which Schiff was a master, had sunk into the hearts of sympathetic Americans. The loans were a great success. Millions of American dollars were sent to Japan by Schiff and his London associates. England's stranglehold on India was made secure. Russia was prevented from entering the Khyber Pass and falling on India from the northwest. Japan at the same time was built up and became a great world power, and as such is now facing us in the Pacific. All this was accomplished by control of the organs of American publicity, releases to the

effect that Russian Jews and "Yankee" Jews were being persecuted in Russia, and by the selling of Japanese war bonds to American citizens.

While the Russo-Japanese War was in progress President Theodore Roosevelt offered to act as peacemaker, and a conference between representatives of the belligerents was arranged to take place at Portsmouth, N.H.

When the Portsmouth Conference took place, Jacob Schiff attended it and used such influence as he had with Theodore Roosevelt to win favors for Japan at the expense of Russia. His main object, then as always, was humiliation of Russians, whose only crime was that they were Russians and not Jews. He endeavored to humiliate the Russians, but Count Witte, the Russian plenipotentiary, did not allow him to succeed in this attempt. Schiff's power and the power of his organized propaganda were well understood by Count Witte, however. Consequently he was not surprised when President Roosevelt, who was often deceived, twice asked him to have Russia treat Russian Jews who had become naturalized in the United States and who had thereafter returned to live in Russia with special consideration; that is, not as Jews but as Americans. Witte carried home a letter from Roosevelt embodying this plea.

Mr. Speaker, the restrictions upon Jews in Russia at that time may or may not have been onerous. But onerous or not, before the Russians had time to change them, Schiff had the 80-year-old treaty of friendship and good will between Russia and the United States denounced. Speaking of this matter, Count Witte says in his autobiography:

The Russians lost the friendship of the American people.

Mr. Speaker, I cannot believe that those people—the real Russians—ever lost the true friendship of the American people. They were done away with to suit the ambitions of those who intend to be the financial masters of the world, and some of us were deceived into thinking that in some mysterious way they, themselves, were to blame. The chasm that suddenly opened between ourselves and our old friends and well-wishers in Russia was a chasm created by Schiff the vindictive in his inhuman greed, and he created it in the name of the Jewish religion.

Mr. Speaker, it was a mistake for the United States to permit the integrity of its foreign policy to be jeopardized or affected adversely by such religious, racial, and financial meddling as that practiced upon us by Schiff and his London associates. The United States should manage its foreign affairs with more distinction than that which is implied in the picture of Jacob Schiff shaking his fist at the White House and muttering threats against William Howard Taft, then President of the United States, a man who was excessively distinguished in his chosen field and who represented the integrity and the patriotic Americanism of every generation of New Englanders from the first of Massachusetts Bay Colony to his own, and represented them well.

Mr. Speaker, the people of the United States should not permit financial interests or any other special interests to dictate the foreign policy of the United States Government. But in this connection history is now repeating itself. You have heard, no doubt, of the so-called persecution of Jews in Germany.

Mr. Speaker, there is no real persecution of Jews in Germany. Hitler and the Warburgs, the Mendelssohns and the Rothschilds, appear to be on the best of terms. There is no real persecution of the Jews in Germany, but there has been a pretended persecution of them because there are 200,000 unwanted Communistic Jews in Germany, largely Galician Jews who entered Germany after the World War, and Germany is very anxious to get rid of those particular Communistic Jews. The Germans wish to preserve the purity of their own blond racial stock. They are willing to keep rich Jews like Max Warburg and Franz Mendelssohns, whose families have lived in Germany so long that they have acquired some German national characteristics. But the Germans are not willing to keep the Galician Jews, the upstarts. So a great show is put on, largely by German Jews themselves, in the hope that Uncle Sam will prove

himself to be as foolish as he was before and that we will allow those Galician and Communistic Jews to come in here. That is why Miss Perkins has been placed in charge of the Department of Labor. She is there to lower the immigration bars. It is thought that, being a woman, she may disarm criticism. She is an old hand with the international Jewish bankers. If she were not, she would not be here in a Jewish-controlled administration.

When the so-called "anti-Semitic campaign" designed for American consumption was launched in Germany, France was alarmed because she feared the Galician Jews might be dumped on French soil. French newspapers published articles concerning the menace, but now that France has been shown that the purpose of the anti-Semitic campaign is to dump the 200,000 communistic Jews on the United States she is worried no longer. "Ah", she says, "l'Oncle Sam, he is to be the goat. Very good."

Mr. Speaker, I regard it as a pity that there are Americans who love to fawn upon the money Jews and to flatter them. Some of these unfortunates are under obligations to Jewish money changers and dare not cross them. On June 6, 1933, there was a meeting in the city of Washington at which the following resolution was adopted:

America has been greatly enriched through generations past by men and women of high quality who have come to our shores as a result of persecution in their own lands. Our country is known throughout the world as the haven of those who suffer from wrong and injustices, and who seek an opportunity for freedom not afforded in their own land. The present is another critical time, and there are many victims of religious and racial persecution in Germany who, because of superior attainments and qualities of fine citizenship, would make valuable additions to our Commonwealth. We, therefore, ask the Government temporarily to relax the immigration barriers in favor of such persons and urge the passage of such measures as will effect this result.

Mr. Speaker, the time for such tactics has gone by. We would be very foolish to allow Germany to dump her unwanted Jewish population on the United States. If the money Jews are as noble as they advertise themselves to be, let them advocate the payment of the veterans' adjusted-compensation certificates. Let them ease the burdens of the consumptive Jewish boys who are hauling heavy carts of fur and other material around the garment center of New York. Let them see that the long-suffering Jewish school teachers receive the salaries which are due to them but which are now in arrears. That would be better than to bring 200,000 Jewish Communists in here for political purposes.

Mr. Speaker, Jacob Schiff flourished like the green bay tree during the World War, but there are passages in his life which show his hysterical despair when the Allies sent their representatives here to obtain a loan. He endeavored to have Lord Reading, formerly Rufus Isaacs, prevent any part of it from going to Russia, although at the time Russia had a very large army of soldiers in the marshes, including thousands of Jewish soldiers, fighting the battle of the Allies on short rations and with insufficient supplies. He was willing to join in the loan, but he wished to have Russia and Russian Jews excluded from the benefits of it. Upon that occasion he was torn between a desire for profit and his professional hatred of Russia, and he cried out to his fellow directors in Kuhn, Loeb & Co. that he ought not to be placed in such a position. And then I believe he said they could do as they liked about it.

In the end it was one of the European Warburgs, a relative of Schiff's, who went to Brest-Litovsk to negotiate the separate peace—a peace which was deeply resented by a large number of loyal Russian Jews—a peace which was followed shortly afterward by the Third Internationale, one of the purposes of which is the destruction of constitutional government in the United States and the establishment here of the same form of government as that which now prevails in Russia. The rights of the sovereign States in the United States are being steadily undermined for that sinister purpose. How far down into the bottomless pit of communism the United States has been dragged by the Roosevelt administration under the smoke screen of an emergency is shown by a comparison of the program of the Third Internationale and the Roosevelt communistic measures forced into law

here during this special session of Congress under threats to deprive Democratic Congressmen of patronage and influence, or, as the President is said to have expressed it to a London correspondent, a determination on his part to keep every Republican officeholder in office until he got what he wanted from the Democratic Congress. Among the tasks set before the communistic party in the United States, as shown in Russia U.S.S.R., a Complete Handbook, edited by the scholar, P. Malevsky-Malevitch, and published by Payson in New York this year, I find the following:

Transfer to the state of all gold reserves, valuables, securities, deposits, etc.; the centralization of all banking operations and the subordination of all the nationalized banks to a central state bank—

And so forth.

You have witnessed the unlawful seizure by Franklin D. Roosevelt of gold reserves and other values belonging to the people of the United States, the destruction of banks, the attempted whitewashing of the Federal Reserve Board and Federal Reserve banks, the corruption of which he admitted in his campaign harangues; and you may have noticed that what was confiscated is not in the hands of the present constitutional Government but in the hands of the international bankers who are the nucleus of the new government Roosevelt is seeking to establish here. Roosevelt's actions are not in accordance with the Constitution of the United States. They are in accordance with the plans of the Third International.

At one time Trotzky was a favorite with Jacob Schiff. During the war Trotzky edited *Novy Mir* and conducted mass meetings in New York. When he left the United States to return to Russia, he is said upon good authority to have traveled on Schiff's money and under Schiff's protection. He was captured by the British at Halifax and immediately, on advice from a highly placed personage, set free. Shortly after his arrival in Russia he was informed that he had a credit in Sweden at the Swedish branch of the bank owned by Max Warburg, of Hamburg. This credit helped to finance the seizure of the Russian revolution by the international Jewish bankers. It assisted them in subverting it to their own ends. At the present time the Soviet Union is in debt.

From the date of Trotzky's return to Russia the course of Russian history has, indeed, been greatly affected by the operations of international bankers. They have acted through German and English institutions and have kept Russian in bondage to Germany and both Germany and Russia in bondage to themselves. Their relatives in Germany have drawn immense sums of money from the United States and have in turn financed their agents in Russia at a handsome profit.

The Soviet Government has been given United States Treasury funds by the Federal Reserve Board and the Federal Reserve banks acting through the Chase Bank and the Guaranty Trust Co. and other banks in New York City. England, no less than Germany, has drawn money from us through the Federal Reserve banks and has re-lent it at high rates of interest to the Soviet Government or has used it to finance her sales to Soviet Russia and her engineering works within the Russian boundaries. The Dnieperstroy Dam was built with funds unlawfully taken from the United States Treasury by the corrupt and dishonest Federal Reserve Board and the Federal Reserve banks.

Mr. Speaker, our workingmen have been told that Russia is the best country in the world today for a workingman to live in. They have been made to regret that they cannot go to Russia to work on one of the great enterprises being carried on by the Soviet Government from which American workingmen are excluded. Mr. Speaker, in my opinion, the Russians have a right to set up any form of government that pleases them and suits their needs. But for some reason, whether due to some defect in the Soviet form of government or to some other cause, Russia has not been able to maintain its present form of government otherwise than at the expense of countries in which there is greater freedom for individuals and in which the property rights of citizens

have been respected and preserved. Open up the books of Amtorg, the trading organization of the Soviet Government in New York, and of Gostorg, the general office of the Soviet trade organization, and of the State Bank of the Union of Socialistic Soviet Republics, and you will be staggered to see how much American money has been taken from the United States Treasury for the benefit of Russia. Find out what business has been transacted for the State Bank of Soviet Russia by its correspondent, the Chase Bank of New York; by Lloyd's Bank of London; by Kleinwort Sons & Co. of London, whose correspondents are the principal New York banks; by Glyn Mills & Co. of London and their American agents, that is, the International Acceptance Bank of New York, the Guaranty Trust of New York, the Central Hanover Bank of New York, the Chemical Bank & Trust Co., H. Clews & Co., Kidder Peabody & Co., Winslow Lanier & Co., and Lee, Higginson & Co., the promoters of Swedish Match. Find out how much United States money has passed through the Bank for Russian Trade of London and through the Midland Bank, Ltd.

If the extent of these transactions were known to the American workingman and if he could see that the raw material, the United States dollars, in those transactions came out of his own pocket and the pockets of his fellow citizens, he would understand that Russia is not a good place for a workingman unless other workingmen in other countries are forced to pay tribute to its needs. Russia owes the United States a large sum of money. If we had what Russia owes us today, the veterans of the United States would not need to fear the first of July 1933 when they are to be despoiled of their pension rights and privileges. Mr. Speaker, I am unalterably opposed to a reduction in the pensions that were lawfully conferred upon the United States veterans of all wars, their widows and dependents. I am in favor of the immediate payment of the veterans' adjusted-compensation certificates. If the United States can carry Germany and Soviet Russia and John Bull on its back, it can pay its veterans. If it can lend \$50,000,000 to sovietized China and furnish material for the manufacture of high explosives, it can pay its veterans.

Mr. Speaker, an immense amount of United States money has been used abroad in preparations for war and in the acquisition and the manufacture of war supplies. Germany is said to be part owner of a large poison-gas factory at Troitsk on Russian soil. China is almost completely sovietized, and in the Asiatic interior huge stocks of munitions are said to be stored awaiting the day when the war lords of the United States will ship United States troops to Asia. Mr. Speaker, the United States should look before it leaps into another war, especially a war in Asia. It should decide whether it is worth while to join hands with Russia and China in a war against Japan. For myself, I say and I have said it often that the United States should remember George Washington's advice. It should mind its own business and stay at home. It should not permit the Jewish international bankers to drive it into another war so that they and their Gentile fronts and sycophants by way of Louis McHenry Howe, the graftmaster, may reap rich profits on everything an army needs from toilet kits to airplanes, submarines, tanks, gas masks, poison gas, ammunition, bayonets, guns, and other paraphernalia and instruments of destruction.

EXECUTIVE ORDERS AND THE AMERICAN CONSULS WITH SPECIAL REFERENCE TO IMMIGRATION VISAS

Mr. CELLER. Mr. Speaker, under the general leave for extension of remarks granted Members at the close of the session, I desire to submit the following:

I wish to call attention to the attitude of the State Department toward Congress in connection with the Executive order of President Hoover and the interpretation of that order by American consuls abroad, in the granting of immigration visas. The State Department has virtually slapped Congress in the face by its attitude during the last few years. I repeat that this Executive order issued by President Hoover and the orders promulgated by the Department of State thereafter is an absolute slap in the face of Congress.

We have adopted a statute which says that there shall be admitted into this country, under all the proper safeguards relative to contract labor, relative to becoming public charges, 150,000 or so immigrants every year.

The conclusion, to my mind, is inescapable, when the State Department undertakes to reduce that quota by 92 percent—not by 10 percent, not by 15 percent, not by 25 percent, but by 92 percent—that they are flouting the will of Congress. Ten or 15 percent might be excusable, but 92 percent cannot be accepted with complacency. That cut is absolutely unlawful and unwarranted under any condition. It is tantamount to almost total exclusion.

I can give you any number of cases within my own experience, in my own office, where the American consuls have been laws unto themselves. The courts have held that we cannot reach out and by certiorari, mandamus, or any other proceeding make them change their wills or judgments in these cases, and they know it and they have acted unreasonably. The State Department's attitude has been such as to give undue emphasis to the Executive order about economic conditions prevailing in this country. The State Department has construed that order to mean absolute exclusion, nonimmigration. And as to the actions of the Department relative to the "public-charge" provisions, I am concerned and alarmed about the undue emphasis given to the Executive order of President Hoover. Had the order been personally construed, I would not complain. But the Department has used the order as an instrument of utter exclusion in 92 percent of all the cases. That is outrageous and unpardonable and must stop. If we could pass a resolution, some sort of a resolution, which would "crack some of these consuls across the knuckles", we would be getting relief, and we need relief. I do not mean to disparage our consuls generally. Most of them are fine men. Perhaps they have acted under instructions from home. If so, we must "crack on the knuckles" some of our State Department officials here in Washington.

I have been asked whether or not the President could not "crack" the Department, or the State Department could not "crack" the consular officers in the various parts of the world and force them to correct the evil conditions. This could be done. The State Department can and should do the "cracking." This expression is a figurative one for discipline or punishment with admonition to sin no more. We could call the Department to task, and it in turn could admonish the consuls not to give undue emphasis to this Presidential proclamation, not to be cruel and oppressive or unreasonable in its application; but then in many cases the consuls would again arbitrarily refuse visas to persons who would not really become public charges—persons who have had as much, taking the combined resources of the immigrant on the other side of the water and what they have had here, as \$2,500. It is ridiculous to refuse visas to those with that much money. They would never become public charges. That is a lot of money these days. Some of these excluded immigrants have had more than some Congressmen can claim to their credit. And they have been denied admission into this country. That is what I mean when I say undue emphasis was laid upon the Executive order.

Furthermore, there is no warrant in the statute for the order issued by President Hoover. We pride ourselves on being a Government of law and not of men, but Mr. Hoover made it a Government of men when he issued that order.

Now the Immigration Act is not flexible; it is an inflexible statute. The Secretary of Labor for years has been pleading with you to give him some flexible power, some discretionary power, for example, which would enable him not to deport in cases where there would be an undue hardship. Congress has always denied that right, has always refused to give him that discretion, has always refused to consider the statute flexible; yet we have the State Department saying that the law is flexible, that it can be bent in any way they wish, because of the construction that they wish to place upon the "public-charge" provisions.

Of course, it is true that there must be some distinction between the interpretation given with reference to this public-charge clause in a time of plenty and prosperity and that given when the economic conditions of the country are what they are today with 12,000,000 idle people walking the streets. But, nevertheless, I say that the State Department has twisted the provisions of the statute entirely out of their original purpose; and, while it is true the Department must give color to their construction of the statutes by pointing to the present economic conditions obtaining in this country, I maintain that the Department has not raised its finger to hold in curb, to hold within certain limitations, reasonable limitations, the American consuls abroad. They have been laws unto themselves, and in innumerable cases that have come under my ken and that have come under the ken of the city Members particularly they have been more vigilant, they have been unduly vigilant, they have been unjustly vigilant, of the rights of American workmen in that regard. They have gone to extremes. Instead of weighing the evidence carefully, they have just excluded. It could not be otherwise when they excluded 92 percent. That number is startling.

It may be said that I am inconsistent when I admit that the State Department has a right to construe the law according to the exigencies of any situation that may arise; that a law has to be construed according to the intention of the lawmakers; and if the State Department has a right to interpret it in one way at one time and in another way at another time, we are inconsistent. But this seems to me to be a situation where the rule of reason should operate, just as the Supreme Court adopted a rule of reason in the *Anti-trust* cases. In a way, by taking this position, we do go right out of court; but I say when you cut the number down to 92 percent, you cut it down unreasonably. It only takes 8 percent more, and then what have you? You have total exclusion—by Congress? No! By the State Department.

How can we go about changing this interpretation and administration of the law? We can do this: We can suggest to the President the rescinding of the order. Every provision of the order is objectionable. The President has no right to issue such an order. The same may be said as to the order issued by Secretary Doak, where that Secretary of Labor said that after a certain date all aliens entering into this country shall be fingerprinted. Now, we who are the older Members of this Congress have set our faces against a proposition of that character and Congress refused to adopt a provision that all aliens shall be fingerprinted or registered. Congress many times refused to pass such a law, yet the Secretary of Labor went out of his way to issue that kind of an order. Thus the Secretary did what Congress forbade. That is what I am inveighing against—these orders issued by executives, whether they be the Secretary of Labor, the President, or the head of a bureau. They have got to stop. The Congress has acted; the Congress has given its word in these matters, and Congress has said that 150,000 aliens should be admitted, and Congress has said that the provisions relative to contract labor and public charges shall be respected, and all I want is that the consuls shall respect them. They do not need any acceleration in their vigilance by Executive orders of this character. I say this: I say rescind that order and you will get what you want, and everyone will be satisfied.

The President has the right to rescind that order, even without a suggestion from Congress. I think the mere adoption of a resolution by the Committee on Immigration and Naturalization would be sufficient, and I believe that would be the desirable thing to do; it would be the diplomatic way to do it and, I think, would win our point.

I think the committee would be doing a great service also in the matter of what is happening in Germany at the present time. This, to my mind, would be a very gentle protest; it would give no offense to the German Government—none whatsoever. And I might say, in passing, that Secretary Hull and his immediate staff in a very temperate, fair, and statesmanlike manner have handled admirably the situation

which has developed relative to the Jewish question in Germany. His ministrations are healing and will bring a cure, I am sure. Time will vindicate his attitude.

I am not one of those who want to indulge in any intemperate, wild, vituperate, and revengeful remarks against any nation, but what is happening in Germany today is such as to force the entire humanity of the world to take heed and bow its head in shame for Germany. Certainly there is a carnival of hate, an orgy of unreasonable and unreasoning persecution going on at the present time in Germany. The Jews there undoubtedly live in a poisoned atmosphere. We can and ought to succor them if they be eligible for immigration into this country, and we should not be unduly harsh and unreasonable with them on the question of the "public-charge" matter and this unlawful Executive order. We all know that we have always given relief to the persecuted and tempest-tossed. You have but to refer to your history to find copious examples in that regard. Roger Williams founded a colony for those persecuted for their religion. I remember well the words of Washington, written to a very distinguished group of citizens of the Portuguese synagogue of Newport, wherein he said he rejoiced that the children of the stock of Abraham can now live in safety under their own vine and fig tree, and there shall be none to make them afraid. Indeed, what is happening in Germany today makes all who happen to be of the stock of Abraham, Isaac, and Jacob afraid. Let us remember here and now these words of Washington. Let these hunted and baited Jews live here under their own vine and fig tree unafraid.

If you go to the Statue of Liberty in New York Harbor, at the base thereof you will find a very splendid tablet upon which is engraved "The New Colossus." I will just read you one or two lines of the sonnet, "The New Colossus", by Emma Lazarus. America through Liberty is supposed to be speaking and says—

Give me your tired, your poor, your huddled masses, yearning
to breathe free;
* * * send these, the homeless, tempest-tost, to me,
I lift my lamp beside the golden door.

The suggested resolution, in a very temperate way, in a very dignified way, would be a solemn and effective protest to Germany; on the other hand, it would be giving a modicum of relief to some of the children and the aged parents of those who are afflicted now in Germany and who are indeed sorely distraught, who are "tempest-tost" and "homeless" and whose only fault is that they are of the faith in which was born the author of Christianity.

THE VITALLY IMPORTANT INTERESTS OF ALL AMERICANS IN THE DISTRICT OF COLUMBIA

Mr. BLANTON. Mr. Speaker, availing myself of the privilege unanimously accorded by the House to extend my remarks, I want to say that all the people of the United States are vitally affected by every important transaction that occurs in the Nation's Capital.

Until recently the Washington Post has been in the McLean family for two generations. On June 1 it was sold under a receivership at public auction for \$825,000 bid by a lawyer, who refused to disclose the name of the real buyer, its publisher, Edward McLean, having been removed by court order. His estranged wife, Mrs. Evalyn Walsh McLean, made bids up to \$600,000, in a strenuous effort to save their newspaper heritage for her two fine boys—the third generation in the McLean-Post lineage. But this struggling mother was ground between the upper and neither millstone of avarice and greed for press power, and her efforts were in vain, for against her on one side was shrewd legal talent representing William Randolph Hearst bidding \$800,000, and on her other side was this secret, unnamed dark horse, whose wealth was apparently unlimited, who ran the bidding up successfully to \$825,000, taking from her sons their coveted heritage.

With him, in a few years, it will be forgotten that Edward McLean once took to Albert B. Fall \$100,000 in greenbacks in a little black satchel. But the parenthood of the world will

never forget the mother's love that prompted Evalyn Walsh McLean to spend \$100,000 of her own money in trying to find the little baby of Colonel and Mrs. Charles Augustus Lindbergh. So the sympathy of mothers and fathers was with this losing mother in her fight for her boys.

Not until June 12, after the court had approved and confirmed the sale, did this secret buyer come out of hiding and let his identity be known. Then in a center, top, double-column announcement on the front page Eugene Meyer heralded the fact that the Post had been bought for him, that he "is the sole stockholder", that he acted "entirely on my own behalf", and that he had incorporated it for \$1,250,000, and would conduct it as an independent paper.

Just what is the purpose of Mr. Eugene Meyer in paying \$825,000 for the Washington Post? He has been on the public pay roll of the Government since 1917 handling billions of dollars. He was first adviser nonferrous metals, Advisory Commission of Council of National Defense, and later held the same position with the War Industries Board; was a member of the National Committee on War Savings, and then a director of the War Finance Corporation, becoming managing director; was a member of the Federal Farm Loan Board, and 2 years later became Federal Farm Loan Commissioner; was appointed by President Hoover as Governor of the Federal Reserve Board on September 16, 1930, and also chairman of the board of the Reconstruction Finance Corporation, and not until President Franklin D. Roosevelt had taken over the affairs of this Nation did Eugene Meyer leave his Government positions to become publisher of a newspaper.

All of us remember the unconscionably large salaries of \$20,000, \$25,000, \$30,000, \$40,000, \$50,000, and even \$75,000 that Eugene Meyer permitted to be paid under his regime and the waste and extravagance that existed in his organizations. On April 4, 1933, the gentleman from Mississippi [Mr. BUSBY], a member of the Committee on Banking and Currency, stated from this floor that during the past 3 or 4 years he had seen the management of the Treasury and of the Federal Reserve Board conducted in a way that was undoubtedly destructive to the best interests of the people of this Nation; and he was applauded for saying it. Then he said that he regarded the present Governor of the Federal Reserve Board, Mr. Eugene Meyer, as the most detrimental influence to the recovery of this country that it is possible for you to find in all the bounds of this fair land; and again the House applauded him. Then he predicted that unless President Roosevelt discarded Eugene Meyer we would go down in disrepute, just as the Hoover administration did; and again the House applauded. And shortly thereafter Mr. Eugene Meyer separated himself from Government service.

Then on May 23, 1933, the gentleman from Pennsylvania [Mr. McFADDEN], who for years during Republican regime was Chairman of the great Banking and Currency Committee of the House of Representatives, arose on the floor and on his own responsibility filed impeachment charges against Eugene Meyer and others, which, on motion duly passed, were referred to and are now pending before the Committee on the Judiciary, and among numerous others Mr. Eugene Meyer and associates were charged with having defrauded the Government of the United States and the people out of billions of dollars and with causing losses amounting to billions of dollars to the depositors of closed banks.

So, with the above confronting him, Mr. Eugene Meyer, now a private citizen, as a secret, unnamed buyer, paid at a public auction \$825,000 for the Washington Post. Just what was his purpose? He says "to run an independent newspaper." If the charges made against him by Congressman BUSBY and Congressman McFADDEN are true, that is the way he ran our Government business—independent, when it should have been for the public. When, after secretly bidding \$825,000 for the Post at auction on June 1, and then after getting such purchase confirmed by the court on June 12, he announced on the front page of his Washington Post the next morning that he "acted entirely on his own behalf", it may make the public wonder just what they may expect from it.

Immediately Publisher Eugene Meyer's Washington Post began to attack the administration. He attacked the President. He attacked the Congress. He attacked me personally. He prophesies that should President Roosevelt propose a reorganization of the municipal government with one man at the head of it, House Members will contend that some citizen of the States be appointed, and that this would embarrass the President because of his Hawaiian Island program. Then his Post asserts that the District will have many violent enemies and few defenders who are more than lukewarm, and that undoubtedly the House, "led by such tiring enemies of the District as Representative THOMAS L. BLANTON (Democrat), of Texas", will want to rewrite the measure to suit themselves. He refers to the enemies of the District as "the Blantons." He even uses the following Attack of the Blantons as a subheadline. And under it he refers to such distinguished, outstanding patriots as Congressman CLARENCE CANNON, of Missouri; JOHN TABER, of New York; JAMES P. BUCHANAN, of Texas (Chairman of the Committee on Appropriations); CARL MAPES, of Michigan; and JAMES FREAR, of Wisconsin, as "enemies of the District", and says that they are determined to impose heavier and heavier taxes on District residents and to restrict their liberty of expenditure, when in truth and in fact he knows full well that through the efforts of these gentlemen he attacked the tax rate for the people of Washington was reduced this coming year from \$1.70 to \$1.50 per \$100, which is the lowest tax rate in the whole United States for any city of comparable size. And he knows that Washington people pay only \$8.75 per year per family for the best water in the world; that they pay only \$1 per year to register and get license tags for their automobiles, whether they are Fords or Rolls-Royces; that the tax on gasoline here is only 3 cents per gallon, when it is 7 cents in Tennessee; that no additional school or other taxes are paid in Washington notwithstanding the 85,000 school children have the finest schools, the most commodious playgrounds, and the best advantages, and are furnished all of their schoolbooks free, as the tax rate of \$1.50 on the \$100 covers all taxes paid in Washington, D.C., with an exemption of \$1,000 allowed on household furniture. And to try to curry favor with them, Publisher Eugene Meyer has his Post list two Senators by name as dependable friends, whose people back home do not have half of the advantages enjoyed here in Washington, but who pay several times the taxes Washington people pay.

Is not Publisher Eugene Meyer thinking about his own pocketbook? Remember when he bought the Post he said he acted "entirely on his own behalf." Is not he now acting on his own behalf when he thinks that Congress is going to make him pay a tax rate of \$1.50 on the \$100, and he does not want to pay such tax on his new \$825,000 investment here, and he thinks that by attacking some Congressmen and praising some Senators he may be able to reduce the tax rate below \$1.50 on the \$100, when publishers in other comparable cities are paying as high as \$4.70 on the \$100?

Then because a Mr. George Reynolds registered at the Pennsylvania Hotel and bought a bottle of rot-gut whisky and was arrested and taken to police station no. 1, where shortly after 5 p.m., he gave his name as that of a prominent Democratic official, though giving an age that was not that of such official and giving an address that was not that of such official, which would clearly indicate him to be an impostor, such police lieutenant at no. 1 station received from such man the \$15 collateral required for release, which entitled him to immediate release, but nevertheless held such party locked up from 5 p.m., until 2 a.m., so that a night reporter for the Washington Post could carry the story in front-page headlines in the 1:30 a.m. edition, it looked very much like a frame-up between a newspaper and a police station, especially when the wife, the son, and the office employees of said official all notified said newspaper that such official was in New York and not in Washington.

Just what does Mr. Eugene Meyer hope to profit by running that kind of a newspaper? He may sell that kind of news to the night clubs and running such a newspaper may

be profitable in money to him, just as was the way he ran the Federal Reserve banks and other Government business. Fortune Magazine once stated that he started out on his own and has made his money since he was 25 years of age. He ought to remember that it does not pay to commercialize "the souls of men." And every policeman in any way responsible for taking that \$15 collateral from the arrested man who registered at the Pennsylvania Hotel as George Reynolds and then kept him locked up for 9 hours thereafter, until an early edition of the Washington Post carrying such scandal was being sold on the streets, ought to be kicked out, lock, stock, and barrel, off of the Metropolitan police force.

Mr. Eugene Meyer is a member of the Metropolitan Club, the Cosmos Club, the Congressional Club, the Racquet Club, the National Press Club, and the Washington Golf and Country Club here in Washington, and also a member of the following clubs in New York, to wit: The Players Club, the Lotos Club, and the Grolier Club. He really does not have time to properly run a newspaper if he attends any of his clubs regularly.

If I would vote to spend all of the millions of dollars out of the Federal Treasury that the Eugene Meyers want expended, and would vote to make the 120,000,000 Americans living in the States pay all of the civic expenses here and the taxes in Washington so as to relieve the Eugene Meyers from paying any taxes on their \$825,000 investments in Washington, the Eugene Meyers would gladly give me a several-column write-up, with pictures and everything, on the front page of their Washington newspapers every day. But the newspapers of the Eugene Meyers do not eulogize public officials for doing their duty and protecting the interest of all the people. They eulogize only such Congressmen and Senators as servilely vote big Treasury hand-outs to Washington people at the expense of all the taxpayers of the United States.

As we are to go to our homes until next January, I want to say a word of praise for the three splendid officials who faithfully serve us daily here on the House floor, and who are to remain here hard at work with their many cares, burdens, and responsibilities hanging heavily upon their shoulders every day, every week, and every month between now and next January.

Our able, efficient, and popular Clerk of the House, Hon. South Trimble, of Kentucky, while a farmer by occupation, was twice elected to the Kentucky House of Representatives, and served as speaker of the house during the last year of his second term. He served as a Member of this House of Representatives in the Fifty-seventh, Fifty-eighth, and Fifty-ninth Congresses. He was the Democratic nominee for lieutenant governor of Kentucky in 1907. He was elected and served as Clerk of this House of Representatives for the Sixty-second, Sixty-third, Sixty-fourth, and Sixty-fifth Congresses. And when the Democrats resumed control of the House he was reelected and has served as Clerk of the House in the Seventy-second and this Seventy-third Congress. He is universally well liked and is most accommodating and obliging to every Member.

Our capable and always dependable Sergeant at Arms of the House, Hon. Kenneth Romney, of Montana, has been serving the House of Representatives continuously for the past 19 years. During the time Hon. Champ Clark was Speaker of the House Kenneth Romney was the Assistant Sergeant at Arms. During the 12 years the Republicans were in power Romney served as cashier in the Sergeant at Arms' office. As soon as the Democrats regained control of the House in the Seventy-second Congress, Kenneth Romney was elected Sergeant at Arms, and was reelected for the Seventy-third Congress. No official employed in the Capitol is more courteous, more obliging, more painstaking to serve, or more dependable than is Kenneth Romney. Many Members who know him personally have deep affection for him. Numerous Members fraternize with him socially, and no man in the Capitol has more friends. Kenneth Romney is well educated, with training in the University of the State of Washington and in the George Washington Uni-

versity here. He has a splendid young son who has just reached the age of 21. Kenneth Romney has been the official tally clerk in the last three Democratic National Conventions, and is a loyal, patriotic party Democrat.

Hon. Joseph J. Sinnott, of Virginia, is our always-dependable Doorkeeper of the House of Representatives, and is one of the best-known party Democrats in Washington. During the years Champ Clark was Speaker Joe Sinnott served as Doorkeeper of the House. On the many occasions during the war Congress that it was necessary to assemble both Houses in joint session to hear President Woodrow Wilson deliver his famous messages to Congress, and on the occasions when all high officials, foreign and domestic, would be present, it was Joe Sinnott who with so much dignity and efficiency formally announced them all as in line of seniority they appeared at the door. Joe Sinnott has been doorkeeper of several Democratic National Conventions and has rendered many courtesies to numerous Members. As Doorkeeper of the House, he has under his jurisdiction and personal control many scores of employees, and he is kept busy every month in the entire year. He is a fine official, a good friend, and a loyal Democrat.

THE VINDICATION (?) OF C. E. MITCHELL, FORMER PRESIDENT OF THE NATIONAL CITY BANK

Mr. SABATH. Mr. Speaker, during the last few years more than 200 small bankers have been convicted or plead guilty and many more have been indicted and will be sent to the penitentiary or the jails for illegal acts.

Today's newspapers, in enlarged headlines, herald the distressing and poignant information that Charles E. Mitchell, erstwhile head of the National City Bank, has been acquitted. I am surprised that the jury did not award Mr. Mitchell a medal for his "uprightness" and "honesty" and zeal in "protecting" the investing and depositing public.

No wonder the people of the United States are commencing to lose confidence in their judicial system and how justice is being administered.

From the statements of Senator GLASS on the floor of the Senate, and many other responsible and well-informed authorities, Mr. Mitchell, one-time head of the National City Bank, in conjunction with the House of Morgan, the Chase National, and a few other large banking institutions, brought about the existing deplorable conditions in the United States, which have caused the closing of about 6,000 banks and are responsible for the losses and the plight of many of the smaller bankers who have been imposed upon by this atrocious, flagitious, heinous Wall Street interlocking combination. These small bankers, in some cases of improper or limited experience, relied upon the selfish and criminal recommendations of the big bankers in connection with the sale and buying of millions of worthless bonds and stocks that have been shamefully unloaded, and thereby rendered these small banks insolvent. Consequently these small bankers are being sent daily to the penitentiary while the arch conspirators, potential felons, one and all, headed by Mr. Mitchell and his unique kind, are being made free, perhaps in the due course of time, again to plague the business world.

Although I do not desire to attempt to defend some of the small bankers who have crassly become a prey to these dishonest manipulations, nevertheless my sympathies are with most of those who unwittingly, ignorantly erred through machination of that nefarious coterie of investment bankers headed by Mr. Mitchell and such like who brought about the downfall of so many small banks. Therefore I am very much pleased to read in the press of today that Attorney General Cummings, able foe of wrongdoers, is determined to prosecute and bring to justice not only the little fellows, many of whom have simply been unfortunate, but will persistently and zealously go after those actually responsible.

Something must be done, and done soon, before the masses of the people of this country lose all respect for the courts of the land. Gradually the feeling is growing that there is one kind of justice for the rich and another for the poor. The acquittal of Charles E. Mitchell will tend to increase that suspicion.

The acquittal came as a great surprise to nearly everyone that had been following the case. The newspaper accounts of the testimony tended to create the impression in the public mind that a strong case had been set up by the Government against Mitchell.

The charge was that this banker tried to defraud the Government of income taxes in 1929 and 1930 through fake sales of stock and through failure to report receipt of income from the National City Co.'s management fund. It was alleged that the sale of stock to his wife was a racket by which he could appear to sell the stock but actually keep it. This charge seemed to have been fully proven by the following facts: No transfer tax stamps were affixed. No notice was given to J. P. Morgan & Co. that he had sold the stock which they held as collateral for his loan. His wife paid no cash whatever for the stock, nor did she receive delivery of the stock.

Therefore, it is little wonder that millions of people view the acquittal of this money king as a miscarriage of justice.

One thing is self-evident to me, and that is that Congress at the very next session must tighten up the laws if we have not sufficiently done so in the session just closed, to make this kind of juggling hereafter and forever impossible,

AN ANALYSIS AND DISCUSSION OF SOME OF THE MAJOR MEASURES PASSED BY THE SEVENTY-THIRD CONGRESS, INCLUDING THE SUBMISSION OF THE AMENDMENT TO THE STATES FOR THE REPEAL OF THE EIGHTEENTH AMENDMENT

Mr. OLIVER of Alabama. Mr. Speaker, leave having been granted to extend my remarks, I desire to place in the Record a letter written by me to Hon. W. E. W. Yerby, of Greensboro, Ala., in reply to a letter from him requesting a statement from me relative to the major measures passed by the Seventy-third Congress, and making special inquiry as to the submission of the amendment to the States for the repeal of the eighteenth amendment.

Mr. Yerby has served several terms as a Member of our State legislature and has for many years been the owner and editor of one of the outstanding weekly papers of the State and a lifelong prohibitionist.

Since his letter typifies inquiries received from other constituents and he has requested that my reply be made public, I here insert in the Record my letter, in which I have briefly analyzed and discussed some of the major measures passed by Congress, including the repeal amendment.

HON. W. E. W. YERBY,
Editor Greensboro Watchman,
Greensboro, Ala.

DEAR MR. YERBY: I am grateful for your letter of recent date, and it is a pleasure to comply with your request for a statement of the achievements of President Roosevelt's administration during the few months our party has had control of the National Government. It is a record of which we, as Jeffersonian Democrats, have every right to be proud, and one to the larger fulfillment of which we can dedicate ourselves with confidence.

Our Democratic platform, adopted at Chicago, carried these words:

"We believe that a party platform is a covenant with the people to be faithfully kept by the party when intrusted with power."

Never has any party moved as swiftly to keep such a covenant with the people who voted it in power. Our major pledges have been translated into law; the President now is moving to carry them into action:

To establish control over all industry, with the view to fixing minimum wages and maximum hours of work, regulating production, and otherwise to promote, encourage, and require fair competition;

To set up a system of Government licenses for business, if necessary to require conformance to the above;

To initiate and direct, through a Federal director of public works, a \$3,300,000,000 public-works program as a further Government contribution to reemployment—of which sum more than \$12,000,000 has already been allocated for immediate expenditure in Alabama;

To direct, through a Federal Director of Relief, expenditure of \$500,000,000 supplied by the Reconstruction Finance Corporation for relief of destitution;

To invoke the Presidential powers of the World War to regulate transactions in credit, currency, gold, and silver, even to embargo gold or foreign exchange; to fix restrictions on the banking business of the Federal Reserve System irrespective of the Federal Reserve Board;

To extend direct price relief to agriculture to raise the growers' prices of cotton, wheat, and other basic commodities. (The President's plan will be presented to the farmers of Alabama at once, and my earnest hope is that they will willingly cooperate);

To provide for refinancing loans on farms and on homes in cities and towns, definite information as to the details of which is available through State and county agents in Alabama;

To reduce Federal expenditures looking to a balanced Budget;

To reduce by Executive order the salaries of all Government employees by an amount not to exceed 15 percent upon the finding of commensurate reduction in cost of living;

To transfer, eliminate, consolidate, or rearrange bureaus in the executive branch of the Government in the interest of public economy;

To repeal by Executive proclamation certain new taxes voted in the Industrial Recovery Act upon showing of restoration of business or in event of repeal of the eighteenth amendment.

To publish heretofore secret income-tax returns to the extent the President may deem in the public interest, and under such rules and regulations as he may prescribe;

To inflate the currency either by requiring open-market operations in Federal securities, devaluing the gold dollar by not more than 50 percent, issuing United States notes up to \$3,000,000,000, or accepting up to \$200,000,000 in silver in payment of the allied war debts;

To employ more than 250,000 unemployed men in reforestation operations, as a still further Government contribution to re-employment;

To appoint a coordinator of railroads to effect economies among the carriers and improve the service to the public;

To appoint a Tennessee Valley Authority to develop natural resources of Tennessee River Basin, including completion of Muscle Shoals project, for which \$50,000,000 has already been appropriated and allocated;

The Glass-Steagall bill to prevent banks from employing deposits of the public in speculation and to separate them from affiliates dealing in securities, for stricter supervision of banking, and to set up a corporation to insure bank deposits.

It is my purpose during the summer to visit the counties of my district and discuss such parts of this important legislation as may be of immediate interest to my constituents.

You ask me specifically about repeal of the eighteenth amendment.

President Roosevelt, as a true Jeffersonian, dedicated himself and the Democratic Party to accomplish repeal when he said in his speech of acceptance at Chicago:

"This convention wants repeal. Your candidate wants repeal. And I am confident that the United States of America wants repeal."

During the campaign Mr. Roosevelt devoted his major addresses to specific issues one at a time. His first formal speech was devoted to repeal of the eighteenth amendment. Not content with that, however, he reiterated his stand in several subsequent addresses in different parts of the country. He set his feet squarely on the Jeffersonian principle of State rights and there he has stood and called the Democratic Party to stand with him.

That I propose to do, and it pleases me that you take the same position.

I am confident Alabama can and will do no less.

President Roosevelt has linked repeal of the eighteenth amendment with the whole of his economic, reconstruction, and prosperity program in such a way as to render it impossible now for any true supporter of the President to tear them apart. It is inconsistent to back the President on his great industrial and public-works program, while refusing to accept his plan to finance the necessary bond issue through taxation. The temporary taxes which Congress voted are to remain only until repeal shall have been accomplished.

In urging that the States repeal the eighteenth amendment at the earliest possible date, the administration in Washington has sought merely to confirm the party platform on which a triumphant Democracy rode into office last November promising a better day for America. The Democratic platform declared not merely for the submission of a repeal resolution by the Congress but for actual repeal. That cannot be accomplished until 36 States have ratified the repealing resolution.

It is a dual purpose, therefore, which President Roosevelt has in mind and for which he has engaged the full strength of his administration. The first was to make good on the party pledge. The second is to enable him to carry forward his reconstruction program with a balanced system of Federal revenues.

Anyone moderately familiar with the situation prevailing today respecting national prohibition cannot help but realize that repeal of the eighteenth amendment is inevitable. As State after State has registered its sentiments, the size of the popular majorities for repeal have mounted beyond the expectations even of the most ardent repealists.

Since you ask permission to publish my reply, I trust it will not be thought inappropriate to interject this brief personal reference:

As you and other friends at home know, I am a total abstainer from all forms of alcoholic beverages and, recognizing the value of prohibition, have endeavored in my private and public life to foster a public sentiment for the observance and enforcement of our State and National prohibition laws.

I voted to submit the eighteenth amendment to the determination of the voters of the several States, and after its submission favored ratification by our State. It was my confident hope that it would grow in public favor and that its resultant benefits to the spiritual, social, and economic life of our people would insure for it widespread and national support.

Frankness forces me to say that my hope of such national support has not been realized, but, on the contrary, a widespread

national sentiment against the retention of the eighteenth amendment has steadily grown and for some time prior to June 1932 it had become so pronounced as to be reflected in resolutions strongly urging repeal, adopted by many representative national organizations, including the American Legion, the American Federation of Labor, and the American Bar Association.

The repeal plank in the platform of our party at its last national convention was responsive to this sentiment so dominant throughout the Nation. I respectfully submit that it harmonizes with the Jeffersonian doctrine of State rights and with the basic fundamental of democracy that ours is a Government of, for, and by the people.

Now, in conclusion I wish to appeal to the people of my district to give full and hearty support to our party and its great President on July 18 next, just as they did in November last. I concede the absolute sincerity and honesty of conviction of those prohibition friends whose views may not be in accord with those herein expressed by me, but it is my firm conviction, after a careful survey of all the facts, that the cause of temperance will be substantially advanced by returning to the sovereign States the control of the liquor traffic within their own boundaries and guaranteeing full Federal aid to prevent the importation of alcoholic beverages into any State contrary to its laws, as the pending amendment does. My belief is that all States will immediately pass strict regulatory measures and restrictions where liquors are permitted to be sold and that eventually many States now without any enforcement or regulatory statutes whatever will return to the prohibition fold with a strong sustaining public opinion for the strict enforcement of State laws.

The representatives from Alabama, in both House and Senate, favored the submission of the pending repeal amendment, and, without consulting them, I venture to assert that none of them will say to his constituents that it is wise or advisable to longer retain the eighteenth amendment in the Federal Constitution.

It has been said that those who favor repeal seek a return of saloons. This may be true of some, but I am sure it is not true of many. Certainly no one will claim that the many prohibitionists of Alabama who will vote for repeal favor the return of saloons, but, on the contrary, I am confident they stand ready to oppose any such effort.

The repeal of the eighteenth amendment will leave unimpaired Alabama's prohibition laws and will simply clothe the people of Alabama with full power to solve the problem as may to them be deemed best, and in their own way. There can be no return of saloons in our State unless our people so decide. I do not fear such a development and I am willing to trust the sovereign voters of the State to safeguard us against the evils of the liquor traffic, and I personally favor the retention of our present prohibition laws.

Alabama, I respectfully submit, should no longer insist on retaining the eighteenth amendment in the Constitution, contrary to the undisputed and undeniable attitude of the American people. To do so can only serve to arouse intense bitterness and dissensions that may seriously hamper the effectiveness of the support and cooperation which, I believe, our people earnestly desire to extend to our President in this critical hour of our country's history. The greatest asset to recovery from our economic ills is to continue our implicit confidence and faith in the integrity and high purposes of our President.

With kind personal regards and best wishes, I am,

Sincerely yours,

W. B. OLIVER.

THE HAWLEY-SMOOT TARIFF ACT MATERIALLY CONTRIBUTED TO THE IMPOVERISHMENT OF AMERICAN AGRICULTURE BY DESTROYING THE FOREIGN AND DOMESTIC MARKETS FOR OUR SURPLUS AGRICULTURAL PRODUCTS

Mr. LOZIER. Mr. Speaker, when the Hawley-Smoot tariff bill was pending, I repeatedly protested against its excessive and unconscionable rates, and contended that its enactment would provoke other nations and cause them to enact retaliatory tariff laws which would destroy the foreign market for the products of our farms, factories, mills, and mines. I pointed out that the productivity of the American people had increased so tremendously that we must have a foreign market to absorb our surplus products, otherwise we would be compelled to market our commodities far below the cost of production, which would inevitably end in the impoverishment of our people.

When the high priests of the Republican Party were railroading the Hawley-Smoot bill through the House, I presented official statistics showing the magnitude and value of our foreign trade. I showed that without a foreign market for our surplus agricultural and industrial products the American farmers and American manufacturers would be compelled to reduce production below a profitable level, which would mean a nonutilization of our tremendous resources and halt our hitherto resistless march toward financial and economic world power.

I told my Republican friends that we had no copyright, patent, or monopoly on high tariff laws and that other

nations could very easily retaliate and impose such high tariffs against our products that we would no longer be able to ship them abroad, which would mean a very substantial impairment of our national income and national wealth. But in violation of their platform pledges and disregard of the campaign promises of Mr. Hoover, the Republican Party proceeded to enact the highest tariff schedules in the history of our Nation.

Although the Republican leaders and Members of Congress eloquently argued that the passage of the Hawley-Smoot tariff bill would not irritate other nations or provoke them to enact retaliatory tariff legislation, nevertheless in a few months after the passage of the Hawley-Smoot bill more than 40 great nations had raised their tariff schedules and made their tariffs against American products so high that the foreign market for our surplus commodities was not only made unprofitable but practically destroyed. Republican leaders in and out of Congress boldly asserted that within 60 or 90 days after the enactment of the Hawley-Smoot Tariff Law good times would return and we would be flooded with prosperity. Everyone, including these Republican leaders, now knows, how empty, idle, and worthless those prophecies were.

The Hawley-Smoot tariff bill not only destroyed our foreign market for products of our farms, factories, and mills but it contributed materially to the impoverishment of practically every vocational group, including the manufacturers. Under the pernicious influence of this legislation the market price of farm commodities fell to the lowest level in history, our railroad systems were paralyzed, our factories idle, commerce at a standstill, business unprofitable, and the myriad millions of our citizenry either in or on the brink of the bottomless pit of disaster.

When the Hawley-Smoot tariff bill was pending, more than 1,000 outstanding economists connected with practically every one of our great universities protested against the high tariff rates and appealed to Mr. Hoover to veto the measure. These men were not politicians but economists and profound students of government, and most of them were Republicans. But the scholarship of America counted for nothing when the industrial lords were clamoring for increased bounties.

Far-seeing business men warned President Hoover against this bill, which they said would destroy our foreign market and ultimately destroy our domestic industries. In answer to the argument that the Hawley-Smoot tariff bill would revive industry and cure unemployment Henry Ford said:

I say it will have precisely the reverse effect. It will stultify business and industry and increase unemployment. When you prevent your customers from purchasing your goods, you are absolutely throwing men out of work. I know something about employment, and I say that this tariff reduces the number of American jobs.

Ever since the Hawley-Smoot bill was enacted practically all great foreign nations have raised their tariff walls so high that American farm and industrial products are practically excluded from these foreign markets, where they had previously sold at a profit to the American agriculturist. For instance, the tariff on wheat in most of the European countries will average \$1 per bushel, or four times the farm price of wheat in the United States during the lowest stage of the Hoover depression.

The French Parliament is now considering a radical price-fixing wheat bill, an essential feature of which establishes the minimum price of wheat at 115 francs a metric quintal, which at the present exchange rate is approximately \$1.54 per bushel, as a quintal contains 3½ bushels. The minimum price of 115 francs a quintal is to increase 1 franc per quintal on the first of each month until and including June 1934, by which time the price will have reached 125 francs a quintal, or \$1.73 a bushel, at the current rate of exchange. The funds to sustain this price-fixing program are to be provided by a progressive tax on grinding. To supplement the agricultural-credit fund already accumulated, amounting to 200,000,000 francs, the bill provides for an additional 400,000,000 francs, or a total of approximately

\$28,000,000, to insure the operation of the plan, including the subsidy to exporters.

As a direct and inescapable result of this legislation no wheat will be imported into France for at least a year, as without an embargo against foreign wheat France could not maintain the domestic price of wheat at more than double the level of the world price. For some time there have been no importations of wheat into France because foreign wheat cannot leap the French tariff wall already so high as to be prohibitive, and for the further reason that there is a law in France requiring the use of 100 percent domestic wheat in flour.

The French Government is trying to reach the same objective as that for which President Roosevelt is striving, namely, the stabilization of the price of wheat on a higher level, although conditions differ greatly in the two countries. The French Government is taking this stabilization step as a result of long study and agitation, and because of the heavy crop last year from which there is a large carry-over.

When the price of wheat in France began to decline as a result of last year's heavy production, on complaint of the farmers the Government first paid a bonus to those who withheld their surplus wheat from the market, and then encouraged the use of wheat in making alcohol, but these measures were unavailing to prevent a sharp decline in prices, and the indications that this year's crop will be large caused a further sagging of the market.

At the present time the official price of wheat in France is about \$1.14 a bushel, which does not return to the French peasant the cost of production. It is quite evident that the French Government has embarked on this price-stabilization program determined to maintain wheat prices on a level that will yield the growers a fair profit over and above production costs.

The bill which will undoubtedly be enacted will have the following effects:

First. Foreign wheat imports into France would be prohibited.

Second. A bonus of approximately a dollar a bushel on wheat is granted to French exporters, which anywhere in the world will permit French wheat to undersell wheat from any other country.

Third. The bill fixes the legal price of wheat in France at 115 francs a quintal, which at the fluctuating rates of exchange will be from \$1.33 to \$1.54 per bushel. The bill provides that anyone selling or buying wheat under the fixed price is liable to prosecution, and anyone holding as much as 33 bushels of wheat flour must declare whether it is domestic or foreign. The bill also contains drastic regulations on crops and sowings.

The action of France in closing her markets to our agricultural products is not different from that of other European nations that have been irritated and outraged by our high tariff laws and who are giving us "a dose of our own medicine" in the form of retaliatory tariff laws.

I am wondering if the American farmers know that for several years the price of wheat has been by law artificially fixed and maintained with a reasonable degree of success in several European nations. I am not ignorant of the so-called "inexorable law of supply and demand", under the cover of which many plausible fallacies and much false propaganda flourish. While recognizing the law of supply and demand, I nevertheless assert what is a self-evident truth, that in the United States and in every one of the States there are numerous laws which directly or indirectly neutralize, and at times render impotent and ineffective, the much misunderstood law of supply and demand.

Our entire industrial structure is built on a system of high tariff laws that tremendously weakens and often destroys the law of supply and demand. We have statutes that set at naught the law of supply and demand with reference to railroad passenger and freight rates. We have laws that destroy the law of supply and demand with reference to telephone, electric lights, gas, and water rates. We have numerous statutes that protect public-utility companies from the law of supply and demand. The law of supply and

demand is quite elastic, is easily manipulated, and often entirely neutralized by Federal and State statutes. It is a garment that special privilege puts on and off at pleasure. For instance, the Interstate Commerce Commission and all public-service boards and commissions are created for the express purpose of neutralizing, artificially controlling, and often for the purpose of destroying the so-called "ruthless law of supply and demand."

I am wondering how long the American farmers will continue to be hewers of wood and drawers of water; how long they will tolerate a tariff system that destroys the market for their surplus products, reduces their purchasing power to the vanishing point, and which is relentlessly driving them to a state of peasantry. Industry has always been the favorite and spoiled child of Uncle Sam. Agriculture has produced a larger proportion of our national wealth than has come from any other vocational group, but by legislative favoritism, special-privilege laws, and class legislation other occupations have been unjustly favored and enriched, while agriculture has been denied equal opportunity with industry and has been driven from the council table around which the political and economic policies of the Nation are formulated.

Before the farmer can come into his own the market price of his commodities must be stabilized on a higher level, so as to yield him not only the cost of production but a fair profit over and above production costs. His purchasing power must be very substantially increased, and the spread between what he gets for his commodities and the price he pays for his supplies must be materially reduced so the farmer may be able to balance his budget and live in the comfort to which he is entitled by reason of his unremitting industry and contribution to our social order, civic progress, and the stabilization of our civilization. Moreover, the farmer's mortgages must be refinanced over a long term of years, and at a low rate of interest, and his National, State, and local taxes must be radically reduced. Unless these objectives can be obtained the future of the American farmer is without hope.

The Democratic Party for 150 years has been the aggressive and consistent friend of agriculture, and when the present Democratic national administration was inaugurated probably the most important of the many outstanding policies of the administration were those having for their object the immediate and permanent rehabilitation of agriculture. I am convinced that under the leadership of the Democratic Party Roosevelt will revitalize this great basic industry and restore it to its rightful place among the profitable occupations. If agriculture is reduced to a state of peasantry, our scheme of government will fail and our civilization perish.

THE EXTRA SESSION OF THE SEVENTY-THIRD CONGRESS

Mr. McCLINTIC. Mr. Speaker, when President Roosevelt called into extra session the Seventy-third Congress the citizens of the United States were experiencing the most serious situation that had ever confronted any nation. Our banks were practically all closed; industry had reached its lowest ebb, and there were more people out of employment than ever before. It was absolutely necessary that something be done at once or this Nation might have undergone such a change as to have produced a Hitler or a Mussolini, in order to break the strangle hold that big business had obtained because of special favors received at the hands of administrations in the past.

President Roosevelt submitted a program which consisted of farm relief, reforestation, emergency gold control, Tennessee Valley development, reorganization of railroads, emergency bank control—including guaranty of deposits, home-mortgage refinancing, public works, and industrial control, and the reorganization of various bureaus of the Government to bring about economy. Never before in the past has legislation been enacted into law so fast. In other words, something had to be done immediately or there would have been a financial collapse such as would have paralyzed industry and had a disastrous effect on every citizen. I am proud to have had a small part in cooperating with

our beloved President and feel that he is entitled to the congratulations of every citizen in the Nation.

During my tenure in office never at any time has a deaf ear been turned to any veteran of any war, but, on the other hand, I have sponsored the cause of every individual who has this status, and no one can truthfully say that any act of mine has been detrimental to the wishes of those who volunteered or were taken into the service for the purpose of defending our country.

Recently my attention has been called to an affidavit made by a man by the name of William M. Siegers, who resides at Amarillo, Tex., and who claims to have had an interview with me. This affidavit originated at Clinton, Okla. It appears to be a deliberate frame-up on the part of those who have opposed me in the past. It will probably be circulated by someone who is an enemy of the ex-service men. The statements contained in the same cannot be corroborated by any other person in the United States or in any letter that was ever written from my office, and this attempt on the part of designing politicians only goes to show what cheap efforts will be taken by individuals when they go outside of the State to get someone to make an affidavit who admits that he was gassed, and if such is the case his mind was probably affected to the extent that he could be used as a cat's-paw for others and be made to sign a statement that is absolutely false. In fact, I do not have any recollection of ever talking to any such person, and no one in my office even remembers him.

There are thousands of ex-service men, fathers and mothers, widows and orphans, who have been directly interested in benefits which have been secured for them by me who will resent any such method that may be used by those who are responsible for this act, and all I ask is that the records speak for themselves.

I am grateful to the fine citizenship of the Seventh Congressional District for the loyal way they have cooperated with me in the past. I am proud of the confidence that has been bestowed upon me by my colleagues in Congress, and I am highly gratified that it has been my pleasure to stand with our great President, whose record will always mark him as a humanitarian of the highest order.

THE ACCOMPLISHMENTS OF THE SPECIAL SESSION OF THE SEVENTY-THIRD CONGRESS—THE MOST MOMENTOUS AND UNUSUAL PEACE TIME SESSION IN THE HISTORY OF ALL CONGRESSES

Mr. BYRNS. Mr. Speaker, the special session of the Seventy-third Congress came to a close in the early morning hours of June 16. Never before in history had one short session of Congress accomplished more—never had a legislative body been faced with more momentous problems to untangle, and never had a Congress more splendidly met their duty to their country, their President, and their people. The far-reaching effect of the major measures enacted at this session cannot be realized for many months, but there can be no question of the statement that the lives and fortunes of every individual in this Nation will be touched and the course of many changed.

In the short space of 3½ months it enacted 12 major constructive measures and passed legislation which enabled the President, by bringing about economies in governmental expenditures, to balance the Budget for the first time in several years. It was indeed a remarkable feat to so quickly wipe out the deficit which has occurred for the past 3 years and which aggregated over \$5,000,000,000. All of these laws were recommended by the great leader in the White House and passed by Congress with the object of restoring the purchasing power of the people, reviving industry, business, and agriculture, and putting the millions of unemployed back to work and giving relief to those who needed it.

It was manifest that a return to prosperity could not be brought about by the old methods—a "new deal" was necessary, and the President so declared in his prelection campaign. When Mr. Roosevelt was inaugurated President on March 4 a national bank holiday had been declared in many States of the Union. In fact, nearly every bank had either closed its doors or was on the verge of doing so. Business

and industry was at its lowest ebb since the beginning of the economic depression. Agriculture was in the depths of despair. Millions of idle men and women were walking the streets in increasing numbers looking for jobs. The people had lost confidence in the ability of their Government to bring about a recovery. Economic chaos threatened the country to a more alarming extent than in the darkest days of the preceding years. The Government seemed powerless to relieve the situation. A "new deal" was not only required but a leader of courage and quick decision was needed to put it into effect and to inspire that confidence in the people which was essential to recovery. Such a leader appeared in President Roosevelt. His short inaugural address was an inspiration and served as a clarion call to the people of all parties to rally together and shake off the depression which was holding our country in its grasp. In that address he declared:

So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed effort to convert retreat into advance. In every dark hour of our national life a leadership of frankness and vigor has met with that understanding and support of the people themselves which is essential to victory. I am convinced that you will again give that support to leadership in these critical days.

The American people responded immediately. Hope and courage replaced despair and fear. There was an instant rebirth of confidence and the Nation turned its eyes toward their new leader in whom they placed their faith. Congress was at once called into extra session and recommendations for changes in our banking laws were made and enacted into law, giving relief in the existing national emergency in banking. Within a few days all sound banks were reopened and the "unreasoning" fear of a bank debacle was dissipated by prompt and courageous action.

This was followed by other recommendations looking to the relief of the country, all of which were enacted into law. I dare say that there is no other instance in history where a President has made so many recommendations and all of them so quickly enacted without one single exception.

And I would not fail to pay tribute to the fine spirit of cooperation of the Republican minority which joined the Democratic majority in placing the stamp of approval on nearly all of these measures. I wish to give the full meed of praise to every Member of Congress who joined in the support of the President in his effort to relieve conditions which were in many respects even worse than those of war times.

Commenting the other day on the work of the special session of the Seventy-third Congress and of the achievements of the Roosevelt administration up to that time, a prominent Washington newspaper writer, in a leading independent daily said that—

A check at the end of the first phase of the Roosevelt administration reveals that most of the major Democratic Party platform pledges have been started on the way to fulfillment.

This—

He added—

is one of the most exceptional feats in modern politics. First, because of the rapid-fire speed with which it has been done and, second, because it is a real novelty to have such a thing happen at all, since politicians generally have regarded platforms as being made to run on and not to stand on.

The writer went on to show that a "check on the fate of Democratic platform pledges adopted a year ago at the Chicago convention" shows action has been taken toward execution of promises in the following:

First. Government economy.

Second. Balancing the Budget.

Third. Reduction of tariffs by negotiation.

Fourth. Unemployment relief and reemployment.

Fifth. Farm and mortgage relief.

Sixth. Water-power development in the public interest.

Seventh. Securities control.

Eighth. Correction of banking weaknesses.

Ninth. Pursuance of a foreign policy which would include a pledge to consult with other nations in carrying out the Kellogg Anti-war Pact.

Tenth. Repeal of prohibition and modification of the Volstead Act.

Although the administration was only 100 days old, it was remarked that of all the pledges made by the Democratic Party in its national platform adopted at Chicago, action had not as yet been taken with respect to but two—regulation of holding companies, interstate utility rates, and commodity and stock exchanges for one, and the strengthening of the Corrupt Practices Act for the other.

Truly this is a remarkable record. It is therefore with a feeling of pride in my party, pride in its chosen leader, President Roosevelt, pride in its majority in this Congress, that I bring into review for consideration the events and the accomplishments of the administration of President Roosevelt and of the Democratic majority in the special session of the Seventy-third Congress.

I truly hope that this country will never again be faced with a situation so grave as that with which it was confronted when the present Democratic administration came into complete control of the Government with the inauguration of President Roosevelt on March 4 last. The events of the last several weeks preceding that inauguration are too fresh in your memories to be recalled here; the picture of the distress, the doubts, and the fears and dangers which then existed are too vivid ever to be forgotten.

Never in the peace-time history of the American Republic did the Nation face a situation so grave, and I doubt if it is any exaggeration to say that not even in any war emergency which we as a people have ever faced was there a time when the peril to our institutions and to our well-being was as great. More than 10,000,000 of men and women were, through no fault of their own, out of employment, and no work was to be found anywhere. Industry was paralyzed, credit was destroyed, agriculture was at the very brink of bankruptcy, and millions of citizens, on the farms, in the villages, and towns and in the cities, were threatened with the loss of everything they had saved through a lifetime of toil and struggle. As I have said, banks were failing at such a rapid rate that in a score of States bank holidays had been declared. Money had either gone into hiding or was locked up in bank vaults, credit had been destroyed, and in many communities the old-fashioned custom of trade and barter of a century and a half ago had been revived in order that people might obtain the bare necessities of bodily comfort—food, clothing, and fuel.

This was the situation when President Roosevelt assumed the guidance of our national destiny at noon on that fateful 4th day of March. A nation, indeed the whole world, stood by to listen to his inaugural address, to hear what of comfort or of hope he could hold out to a stricken people in their hour of peril.

I have referred to the promises which were contained in the Democratic Party's platform of 1932. It was the shortest, clearest, and most unequivocal declaration of principles and pledges ever written by the national convention of any great political party. Although the Democratic administration is as yet only 100 days old, practically every pledge of that platform has been kept, and the country now knows that there is at least one party which believes that pledges are sacred and must be kept.

As that platform was short and to the point, so was the inaugural address of the President brief and specific. It fell upon the ear of a waiting world as a message of hope. None who heard his ringing pledge to service could fail to be cheered. It was clear that as in the days of Jackson and Wilson, another great crisis had developed another great leader; that a firm hand, a great mind, and a devoted heart were united in the person of the man who had come into the most powerful and the most important position in all the world.

President Roosevelt's first Executive order, effective on Monday, March 6, the first working day of the new administration, declared a banking holiday to meet the financial crisis which had settled upon the country, sweeping thousands of banks into insolvency and wiping out the savings of millions of depositors and stockholders. This order was

intended to stop the runs on banking institutions and to save those which were yet solvent. He at the same time declared an embargo on gold exports for the period of the bank holiday.

Not only did these orders accomplish the purpose for which they were intended but they did far more. They did much to restore public confidence. They stopped runs on the banks, so that when the period of the banking holiday had expired every bank that was solvent was enabled to reopen and confidence in it was reestablished.

On the same day on which he declared the banking holiday the President issued a call for Congress to meet in special session on March 9. When this body had convened, with its large Democratic majorities in both Senate and House, the President sent to it, and it enacted that day, the first of the series of legislative enactments which have restored public confidence, have started the wheels of industry revolving again, have stimulated trade, started commodity prices upward, and have, in short, caused confidence to displace doubt, hope to succeed despair, and have set at work constructive instead of destructive forces, until today the American people are again facing the future with courage, with pride, and with confidence.

In quick succession the President transmitted to Congress recommendations for the enactment of the various measures which have subsequently been passed and are now law, such as the Economy Act, the Farm Credits Act, bills for the relief of the unemployed and for reemployment, the Railroad Act, and other measures, all units in a great planned program of reconstruction and rehabilitation, which I shall enumerate in somewhat more detail a little further along.

No darker picture ever met the view of the American people than that upon which they were compelled to look during the closing days of the last administration. With what relief, with what new hope and confidence, we view the altered picture of today. Let me give you just a few facts and figures. We all know, and have long known, that agriculture is the basic industry of our country. If it is prosperous, other industry prospers and the people are busy and happy. The farmer cannot be prosperous until he obtains a decent return for his labor. That he cannot obtain until he is paid a price for his products which will give him a fair margin above his cost of production. Although the Roosevelt administration is only 100 days old, and the Democratic Party's reconstruction program is not yet entirely in operation, there has been a sharp upward curve in the price of farm products, and there is reason to believe that on this year's crops the American farmer will realize a profit for the first time in many, many years. Increases in the price of wheat and cotton, two of our greatest staples, furnish evidence of the truth of what I have said.

On March 3 last hard winter wheat sold at Kansas City for as little as 44.4 cents per bushel. On June 10 last the same wheat sold on the same market for 73.4 cents per bushel, an increase of 66 percent.

On March 3 last the average price of spot middling cotton on nine principal exchanges in the United States was 6.06 cents, while on June 10 last it sold on the same exchanges at an average price of 9.13 cents per pound, an increase of 3.07 cents per pound, or of 50 percent. The figures I have quoted are from the Department of Agriculture.

It has been said that under present conditions the American farmer can be prosperous and happy with dollar wheat and 10-cent cotton. Dollar wheat is in sight and 10-cent cotton is almost at hand.

Increased prices, which make for increased values, are being quoted on every hand, and, with few exceptions, these increases are finding their way in part into the pockets of the workingman. Where during the last 3 or 4 years reduced wages and vanishing dividends have been the rule, we now see daily in the public press announcements of workers returning to the mills, of increases in wages, and it is no longer too much to expect that the day of regular and substantial dividends for the investor is not remotely in the future.

That there is confidence that such a day will soon again be at hand we may see in the rising value of securities listed on the country's trading exchanges.

The average value of stock securities listed on the New York exchange rose from 52 to 92 between March 4 and June 10.

The average value of bonds listed on the same exchange rose between the same dates from 74 to 84½.

Between those same dates the level of commodity prices on the produce exchanges rose from 85 points to 120, an increase of 35 points, or more than 40 percent.

Also the return of confidence in the country's financial institutions is reflected in the average price of the stocks of banks and trust companies listed on the New York counter market, that increase having approximated 50 percent between March 4 and June 10.

Certainly these figures reflect a restoration of confidence, the dawn of hope in the future of our country and the return of prosperity to its people. Certainly, too, it reflects the faith of the people in a Democratic administration which, in this short time, has achieved this record, unsurpassed in the entire history of the country.

Let me now call your attention item by item to the series of legislative achievements of the present administration and of the special session of the Democratic Seventy-third Congress which go to make up this marvelous record.

INDUSTRIAL RECOVERY AND PUBLIC WORKS

The purposes of this act are, as defined by President Roosevelt: (1) To obtain wide reemployment; (2) to shorten the working week; (3) to pay decent wages for the shorter week; (4) to prevent unfair competition; and (5) to prevent disastrous overproduction.

This act repeals for 1 year those sections of the antitrust laws which forbid trade agreements, looking to the stabilization of wages, of prices, and of working conditions. It establishes a Federal license system to enforce agreements against recalcitrant units, and empowers the President to regulate production and stabilize industry.

The purpose underlying this act is to have industry regulate itself, through trade associations which industry will set up, the Government to deal with each industry through the association organized within itself. To some extent the antitrust laws are suspended, but price fixing is prohibited, although industry may control production. In short, it is, in the language of the President, "A great cooperative movement throughout all industry" to bring about wide reemployment, a shorter working week, with decent wages, the prevention of unfair competition and of disastrous overproduction.

This measure, which the President preferred to define as a "partnership with industry" rather than the control of industry, provides for a bond issue of \$3,300,000,000 to be retired at the rate of \$220,000,000 annually. It is estimated that this program will put at least 3,000,000 men back to work at a time when the need for employment is greatest.

Proceeds of the bonds to be sold under authority of the Recovery Act may be expended for highway construction, public buildings, conservation and development of natural resources, the utilization and purification of water, development of water power, transmission of electrical energy, for river and harbor improvements where they are found to be justified, for low-cost housing and slum-clearing projects—in short, for any public or semipublic enterprise found to be constructive and worthy and which the President may approve. Among other things, the bill provides for the expenditure of \$400,000,000 for highway construction.

For the protection of labor it is provided that in the various States contracts involving the expenditure of funds obtained from the Federal Treasury shall contain provisions establishing rates of wages to be predetermined by the proper State authorities; that this protection shall be accorded both skilled and unskilled labor; and that in the invitation for bids on such contracts the rates of wages shall be stated so as to be included in the contract biddings.

Operations of the Industrial Recovery Act are limited to 2 years, but may be terminated sooner if the emergency passes.

UNEMPLOYMENT

The first attack on the unemployment problem came before the Roosevelt administration had been in power 3 weeks. On March 21, the President sent to Congress the reforestation bill, which was promptly enacted by Congress, and under which 250,000 young men are being put to work at reforestation camps. Subsequently, the President issued an order under which 25,000 eligible young men from the ranks of former service men are to be included in the reforestation army, known as the "Civilian Conservation Corps." Members of this corps receive \$30 per month, with food, shelter, clothing, and medical attendance, with certain provision for pay increases for those most meritorious.

As they are drawn largely from the towns and cities, employment of these men in a valuable work relieves such communities of their support at a time when there is a very heavy strain upon the resources of the various charitable agencies, both private and public. A fund of \$200,000,000 to meet the expense of the reforestation work was obtained out of an unexpended balance in the Treasury appropriated for public works, and thus this reforestation program does not require additional taxation.

In addition, the Congress passed an act authorizing outright grants of \$500,000,000 to the respective States, the money to be expended by the States in relieving the hardship and suffering caused by unemployment.

Also, the Congress passed the Wagner unemployment agency bill, providing for the establishment of Federal employment agencies in industrial communities in cooperation with the States and authorizing appropriations therefor until 1938. This act was passed during the last administration, but was vetoed by President Hoover.

AGRICULTURE

Enactment of emergency legislation under which the President has set up the Farm Credit Administration. By Executive order the President had consolidated the activities of the Federal Farm Board and the various other boards and bureaus set up by preceding administrations in their futile efforts to deal with the farm crisis and save the agricultural industry from bankruptcy.

Under this legislation authority is conferred upon the President to expand credits, stimulate the price of farm products, increase the currency in circulation, and take such other steps as the Chief Executive and his advisers may deem necessary to restore agriculture to a basis of prosperity and end the orgy of bankruptcies which have swept away the homes and other property of literally millions of farm families. The sum of \$200,000,000 is provided for additional farm credits, and even more far-reaching in its effect will be the authorization of the issuance of \$2,000,000,000 in bonds with which farm mortgages may be refinanced at the low interest rate to the farm owner of 4½ percent. Thus the farmer who has been burdened under mortgage interest rates of 6 and 7 percent, and sometimes even higher rates, will be able to refinance his mortgage at 4½ percent and is given 15 years during which to amortize the mortgage. Under the authority conferred upon the President the duties of the various existing agencies, such as the Federal Farm Board, the Farm Loan Board of the Treasury Department, the Crop Loan Bureau of the Department of Agriculture, the Regional Agricultural Credit Corporation, and others were transferred, and all authority to deal with the farm-credit problem centralized in the Farm Credit Administration.

In the program of farm legislation Congress provided for the establishment and maintenance of such balance between the production and consumption of agricultural commodities as it is hoped will reestablish prices paid to farmers so that their agricultural commodities will have a purchasing power equivalent to that which they enjoyed before the war. Authority is given to the Secretary of Agriculture to bring about reduced production to increase farm commodity prices and to negotiate marketing agreements with processors and handlers of agricultural commodities to accomplish the purposes of the legislation.

MUSCLE SHOALS

After more than 12 years of enormous waste under Republican administrations, during which time many millions of dollars worth of water power has gone over the great Muscle Shoals Dam with neither the Government nor the American public receiving any benefits therefrom, the Congress, under the leadership of President Roosevelt and Senator Norris, passed the Tennessee Valley Authority Act. Under this act a board of three members has been appointed to put the great Muscle Shoals property and Tennessee River to work for the people. By the development of Muscle Shoals and the construction of the Cove Creek Dam, not only will agriculture be served but flood control in the Tennessee and Mississippi Valleys will be furthered, navigation will be encouraged, and power developed and conserved. It will open additional avenues for a large number of workers and lead to the industrial development of a section of our country rivaling the Ruhr Basin of Germany in its richness.

In addition, this great property, whose development was begun by another Democratic President, Woodrow Wilson, will be kept in the control of the people in stand-by condition for use in case of war emergency. It will produce fertilizer to the end that the farmer's fertilizer bill will be reduced; and it will mark a long forward step in flood control, thereby helping to remove from the lives of thousands of citizens and of hundreds of millions of dollars worth of property the annual menace from the recurring floods which in the past have claimed an enormous toll in human life and property damage. It will also open the Tennessee River to navigation the year round and contribute enormously to the development of the immensely valuable natural resources in the Tennessee River Basin. Moreover, development of water power at Muscle Shoals will set up a yardstick for the determination of fair and reasonable rates for electric energy, bringing cheaper power to consumers throughout the entire country, and mark the dawn of a new day of electrification, rural as well as urban. This development will contribute materially to the accomplishment of the great Nation-wide program of conservation for which the Democratic Party has long stood, to the end that the country's vast natural resources may be saved to the people rather than be conferred as special privileges upon monopolistic selfish interests for the serving of special ends at the expense of the people.

MONEY AND BANKING

Enactment of emergency banking legislation, passed March 9—the first day of the special session of Congress—under which approximately 14,500 banks were reopened after the bank-panic holiday. Control over currency passed to the President under the inflation sections of the Farm Act; the gold clause was outlawed in public and private contracts and the President authorized to fix gold and silver coinage ratio. The Glass-Steagall banking bill passed in the closing days of the session has been declared the greatest piece of banking legislation since the passage of the Federal Reserve Act in the first administration of President Wilson. This legislation amends the Federal Reserve Act by empowering the Federal Reserve Board to suspend banks from the use of credit facilities of the Federal Reserve banks for the speculative carrying of or trading in securities, or other purposes not consistent with the maintenance of sound credit conditions; it makes Morris plan and other industrial loan banks eligible for membership in the Federal Reserve System; it provides for the divorcement of member banks from security affiliates to prevent speculation with depositors' money; it makes provision for the prompt liquidation of closed banks, for the relief of depositors, and sets up a corporation to insure bank deposits within certain limitations in order to safeguard the depositors and prevent further such terrific losses as have occurred to depositors during recent years through the failure of many thousands of banking institutions. A Democratic Congress in the administration of Woodrow Wilson enacted the Federal Reserve Act, admitted by all classes to be one of the most constructive banking measures passed for over half a century. The recent session under the leadership of President Roosevelt enacted the Glass-Steagall banking bill, which I

have said is declared to be the greatest piece of banking legislation since the passage of the Federal Reserve Act. This is a complete answer to the challenge which has been so continuously made that the Democratic Party cannot be safely entrusted with the business affairs of the Nation.

SECURITIES ACT

This act provides for Federal supervision, through the Federal Trade Commission, of interstate traffic in investment securities, and is designed to protect the American public against further flotation of securities of doubtful value, the sale of which in recent years has cost the public many billions of dollars. The act requires that the fullest possible information concerning security issues it is proposed to market shall be filed under oath with the Federal Trade Commission, so that the prospective investor may have accurate and reliable knowledge of the business and properties on which the securities are based. Severe penalties are imposed for failure to comply with the provisions of this act.

HOME MORTGAGES

Under the bill for the relief of home owners, persons whose homes are threatened with mortgage foreclosure may on homes with an assessed valuation up to \$20,000 refinance their mortgages at an interest rate of 5 percent, and may have 15 years in which to pay off the mortgage. Through this legislation it is expected that not only will millions of families be able to save their homes, but that a more considerate policy on the part of private mortgage holders will be forced.

ECONOMY

As a result of the passage of the Economy Act and through the reorganization of the various departments and bureaus of the Government, to eliminate waste, duplication of effort, and to abolish unnecessary Federal activities, it is estimated that the cost of the Federal Government will be reduced \$1,000,000,000 during the next fiscal year. This is about 25 percent of the total cost of the Federal Government and therefore is in strict fulfillment of the pledge contained in the Democratic platform adopted at Chicago last year to reduce the cost of the National Government by one fourth.

Government salaries have been reduced by 15 percent, and as a result all the economies which have been provided for, and with the additional revenue expected to be brought into the Treasury, it is expected that the Federal Budget will be substantially balanced during the next fiscal year, thus contributing to the restoration of public confidence and to economic recovery. At the last session of the Seventy-second Congress appropriations made for the ordinary operations of the Government for the fiscal year 1934 amounted to \$4,358,879,635.98, which was \$1,323,188,585.97 less than the appropriations made at the previous session, which amounted to \$5,682,068,221.95. For this reduction a Democratic appropriations committee and a Democratic House can justly claim the chief credit. Included in the total appropriations made at the closing session of the Seventy-second Congress were amounts appropriated for the District of Columbia for 1934, viz: \$36,291,647 and \$1,003,314,931, which was carried for independent offices for the same fiscal year. These two bills failed of passage and were reenacted at this special session with a saving of \$377,428,248. In the District of Columbia appropriation bill enacted at this special session \$30,375,834 was carried, thereby effecting a saving of \$5,915,813. The reenacted independent offices bill carried \$631,802,546, a saving of \$371,512,435.

In fact, since the Democratic Party organized the House at the beginning of the Seventy-second Congress, including that Congress and the special session, there has been a total reduction of appropriations for the ordinary operations of the Government amounting to \$2,840,470,452.91.

REVENUES

The Industrial Recovery Act provides for \$227,000,000 of new revenues. Of this \$62,000,000 will be derived from the increase of one half cent on gasoline and \$165,000,000 from changes in the income- and profits-tax sections of the Revenue Act of 1932, which includes a tax of 5 percent on stock

dividends, estimated to yield \$70,000,000. These amendments also transfer the power tax from the consumer to the producer. The tax on beer is estimated to yield a sum of not less than \$125,000,000 to possibly \$200,000,000 annually.

Congress has amended the Revenue Act of 1932 in two respects to prevent the escape of wealthy classes from the payment of income taxes, as was disclosed by the Senate committee's investigation into the J. P. Morgan partnership. Under the 1932 Revenue Act, private bankers were exempt from the provisions of that act with respect to deductions for short-term losses. This exemption has been removed and private bankers are now treated in this respect exactly like any private individual or corporation. The other amendment provides that no part of a loss disallowed to a partnership, because of the fact that it is sustained in connection with transactions in stocks and bonds covering a period of 2 years or less, shall be allowed as a deduction to an individual member of the partnership. These two amendments are expected to bring a good many millions of dollars in taxes, heretofore evaded, or avoided, into the Federal Treasury.

PROHIBITION

In keeping with the pledge made by the Democratic Party in its 1932 platform, this Congress modified the Volstead Act to permit the manufacture and sale of beer (in such States as legalize such manufacture and sale) having an alcoholic content of not to exceed 3.2. This is expected to bring revenue into the Federal Treasury of from \$125,000,000 to \$200,000,000 a year.

RAILROADS

The Railroad Act provides for railroad combinations and coordination, to link the systems together, enable them to use one another's terminals and like facilities, and to jointly adjust schedules and bring about savings to investors and lower rates to the shippers. Labor is protected against the loss of jobs. The office of coordinator is established; that officer to enforce the economies and adjustments contemplated in the act, with three regional assistant coordinators provided for.

TARIFF

In the Industrial Recovery Act, the President is authorized to adjust tariffs and impose embargoes to meet damaging foreign competition made possible through depreciated currencies.

EXTRAORDINARY MEASURES

Through the series of measures passed during the closing session of Congress vast extraordinary powers have been vested in the President to empower him to deal with the critical economic situation. He has been given the power to alter the gold content of the dollar; to remonetize silver; to suspend or alter, within limits, governmental contracts, including Federal salaries, pensions, and allotments, air and ocean mail subsidies; to regulate and coordinate industrial production and banking and railroad operations; to develop and operate Muscle Shoals; to allocate appropriations for public works; to reduce the first-class mail rates; to alter tariffs, levy quotas, and establish embargoes, with the advice of the United States Tariff Commission, and to regulate or prohibit the interstate shipment of oil produced in violation of State quota laws. This delegation of power was conferred to meet an acute emergency and is limited to a period of not more than 2 years.

In this remarkable achievement it has been necessary for everyone to make sacrifices as their share toward victory in the war being waged against depression. That these sacrifices will be cheerfully made I have no doubt, for the patriotic spirit of the Americans today is characteristic of that which they evidenced when war clouds enveloped our country.

This record abundantly justifies the continued confidence of the American people in a Democratic President and a Democratic Congress, in which every Member has played a necessary and important part.

When the weary Members of the Congress returned to their homes I am sure they met on every hand evidences of the confidence of the home people and received commenda-

tion from them for the service which they had rendered their districts, their State, and their Nation during the momentous session which has just come to an end.

May I say in conclusion that everyone should exhibit a spirit of optimism and confidence in the future which is justified by the present trend of events, and those who may seek, for any reason whatever, to lessen this spirit of optimism and confidence are not serving the best interests of their country.

LEGISLATIVE RECORD OF SEVENTY-THIRD CONGRESS

Mr. SNELL. Mr. Speaker, availing himself of his constitutional powers, President Roosevelt called an extraordinary session of the newly elected Seventy-third Congress to assemble March 9 this year. An even 100 days elapsed from the date of its assemblage to the date of its adjournment, June 16.

It was in every sense of the word an extraordinary session of Congress. No legislative body in the history of the United States ever wrought such profound changes in the laws and the Constitution.

It appropriated more money, levied more and heavier new taxes, and authorized a larger bond issuance, calling for heavier annual interest charges, than any other Congress in the history of the United States, with the single exception of the Congress in session during the World War.

In those 100 days the extraordinary session of the Democratic Congress appropriated, in round numbers, \$4,400,000,000.

It continued in force the new special taxes the last Democratic Congress levied, amounting to \$400,000,000. When those taxes were levied a year ago, the Democratic Congress characterized them as temporary, and the law provided they would expire as of June 30 this year. But this new Congress continued those taxes and added \$220,000,000 more new taxes, making \$620,000,000 additional new taxes to be paid by the American people during the coming fiscal year.

This Congress authorized the issuance of \$8,560,000,000 in new Government bonds or securities. The Government disavows responsibility for the payment of the principal of \$4,000,000,000 of this amount. This disavowal is carried in the acts of Congress which authorized their issuance. The Government does, however, agree to pay the interest. Of the remaining \$4,500,000,000 the Government promises payment of interest and the redemption of the principal in whatever we may be using for money at the time the principal and interest become due. Assuming that these bonds may be floated at the same rate of interest as the most recent issue was floated, namely 2½ percent, this enormous bond issue will increase the annual interest charges of the Government in the sum of \$244,662,500. With the issuance of these bonds, our interest-bearing public debt will exceed by \$5,000,000,000 the peak of our public debt during the World War.

In view of this, what of the pledge of the Democratic Party to reduce expenditures of the Federal Government 25 percent and balance the Budget? It has gone to the realm of forgotten things; just another one of those Democratic campaign promises.

Instead of reducing the Federal expenditures 25 percent, the Democratic administration in 100 days more than doubled them.

When this Congress assembled it found the short session of the Seventy-second Congress, which closed March 4, had passed all but two of the regular appropriation bills providing funds to run the Government for the fiscal year beginning July 1 next. All the special session had to do to carry out the program of a 25 percent reduction in public expenditures was to pass the two appropriation bills which the previous Congress had not acted upon and start its program of economy. It did pass the two appropriation bills, carrying a total of \$662,000,000. With the passage of these the work of providing funds for the regular expenditures of the Government for the fiscal year beginning next July was completed. But instead of setting about to save 25 percent of the appropriations made, this special session of Congress started on a spending spree. It passed additional appropria-

tion bills carrying a total of \$3,708,000,000, to take care of new agencies, new activities, new machinery demanded by the Democratic administration and created by the special session of the Democratic Congress. (See table A, at close of remarks.) One appropriation bill alone, passed on the last day of the special session of Congress, carried appropriations for these new activities in the sum of \$3,608,915,000—which is \$600,000,000 more than the entire cost of running the Government for the last fiscal year, not including the interest on the public debt and the sinking fund.

The Federal Budget has not been balanced. It is more out of balance than at any time in the history of the United States, with the single exception of 1 year during the World War.

There has been a persistent attempt upon the part of this administration to make the public believe the Budget has been balanced. It is doing this through the device of keeping two sets of books. One set is known as the "ordinary Budget." The other set is known as the "extraordinary Budget." The "ordinary Budget" consists purely of operating expenses. The "extraordinary Budget" consists of major expenditures, labeled "Emergency" or "Capital investments."

To illustrate: The average citizen, running his household in this manner, would charge up against his salary or wages his incidental day-by-day household expenses, such as food, clothing, gas, light, and fuel, and call it his "ordinary budget." But if he had doctor or hospital bills or some other unforeseen expense, he would label it "emergency" and put it in his "extraordinary budget." If he desired to purchase a motor car or household furniture or repair his property, he would borrow the money, charge it to "capital investment" and place it in his "extraordinary budget."

If, at the end of the year he had been able to meet his incidental expenses out of his salary or wages, he would claim that he had balanced his budget. He would take no account, insofar as his budget was concerned, of the money he had borrowed to buy his motor car or furniture or to repair his property.

That is a delightful way of fooling oneself until the day of reckoning is at hand. But the time comes quickly when the householder who runs his financial affairs in this manner appears in the bankruptcy court. The obligations which he has incurred must be paid, regardless of whether he classifies them as "ordinary" or "extraordinary."

So it is with this Government. Tricky bookkeeping, devised to conceal from the public the real financial condition of the Government, may succeed in its purpose for a brief time, but it does not pay off the debts. It does not stop the drain on the public credit. It does not stop the increase in interest charges. It does not halt the upward march of Federal taxes.

Heretofore there has been no deception regarding our Federal expenditures. Since the organization of this Government, under both parties, our methods of handling the public's money have been subject to no concealment. For example, appropriations for Federal aid in public highway construction were carried in the regular appropriation bill for the Department of Agriculture, because the Public Highway Bureau is an integral part of the Agricultural Department, and the Secretary of Agriculture is held responsible for its administration and for the proper expenditure of the Federal funds for public highway work. In like manner, and for like reasons, the public buildings appropriations appeared in the routine budget of the Treasury Department, new Navy construction was properly included in the regular appropriation bill for the Navy, and reclamation appropriations appeared in the routine appropriation bill of the Department of the Interior, and so on. By this method the people knew what their Government was costing them. If at the end of the year there was a deficit, they at least knew where and how that deficit had been created.

Under the "new deal" the Federal expenditures for public highway construction, public buildings, naval construction, reclamation, and other like expenditures are no longer found in the budgets of those departments that spend the money.

They are kept in another set of books. They are classified as "capital investments", and when the Budget is to be balanced these expenditures are completely ignored.

But bookkeeping or no bookkeeping, the \$400,000,000 appropriation for public highway construction made by the special session of Congress just closed must be paid by the taxpayers. So, too, must the \$247,000,000 of new construction for the Navy and the \$50,000,000 authorized for work in reclamation, irrigation, and drainage projects, and the billions of dollars that are to be expended by the Treasury Department for public buildings. You cannot escape the sheriff and the debtors' court by the mental process of capitalizing your debts and calling them investments.

Had the Republican administration adopted this trick of Budget balancing by keeping two sets of books, the deficit of \$903,000,000 for the fiscal year of 1931, which the Democrats in Congress characterized as "stupendous" and "staggering", would have been transformed into a handsome surplus of \$360,000,000, and the Democratic Party would have been deprived of one of its principal campaign issues. The Republican administration spent the money and kept the account in only one set of books, which are always open to the public. It attempted no deception in order to lull the people into a false sense of financial security. That was old fashioned, according to economic standards set up by this administration. But it may be said in justification of those old-fashioned Republican methods that history records the unvarying story that double bookkeeping and juggled budgets have been the favorite tools of short-sighted politicians since the beginning of organized government—devices to deceive the taxpayers that inevitably resulted in bankrupt governments and economic and political uprisings.

The system of double bookkeeping has been carried by this administration into the matter of issuing Government bonds, which increases our interest-bearing public debt. The special session of Congress authorized the increase of our interest-bearing public debt by the stupendous sum of \$8,560,000,000. As stated previously, the Government does not undertake to redeem \$4,000,000,000 of these new bonds authorized by the acts refinancing farm and home mortgages, although it does guarantee the interest. The National Recovery Act made necessary the issuance of \$3,300,000,000 of Government bonds in order to provide the money appropriated to carry out the provisions of that act. In addition to the above, the special session of Congress authorized the expenditure of \$1,210,000,000 to carry out other activities inaugurated by this Democratic administration and directed that the money be obtained from the Reconstruction Finance Corporation. The Reconstruction Finance Corporation is financially merely the alter ego of the United States Treasury. It borrows no money anywhere except of the United States Treasury. The United States Treasury is its only creditor. Every time the Congress authorizes the Reconstruction Finance Corporation to make loans or advance money to any project and authorizes it to increase its outstanding obligations in that amount, insofar as the taxpayers of this country are concerned and insofar as the credit of the United States Government is concerned, it is merely issuing an order for the United States Treasury to increase our outstanding interest-bearing public debt by just that amount and turn the money over to the Reconstruction Finance Corporation, which, in the capacity of a middleman, passes it on as directed by the act of Congress.

Not only has this administration more than doubled the Federal expenditure, but it has prostituted the public service by stipulating in the legislation creating new activities and setting up new machinery that the Federal employees needed in those operations shall be political spoilsmen. Some conception may be had of the extent of this vast army of political spoilsmen now advancing on Washington when the Department of Agriculture estimates it will take 200,000 individuals to carry out the provisions of the domestic allotment law alone.

During its 100 days of existence, the Democratic Congress legally repudiated the gold standard, an act that was not found necessary during the dark days of the Civil War or

during the period of financial stress during the World War. By reason of that action the United States Government, for the first time in its history, deliberately dishonored its pledges to those who had bought Government securities. This act of outright repudiation has set an example to other nations owing us money which is already bearing us costly fruit. It will operate to our financial loss and our national humiliation for generations to come.

As a corollary to this action, the Congress branded as a statutory criminal anyone who had accumulated savings out of his wages or income and held them in the form of what has been legal-tender money since this Government was first established 150 years ago.

This Congress put the Government directly into Federal ownership and operation of public utilities, and took a long, long step toward establishing Government ownership and operation of railroads and other transportation systems. It did this in the face of the miserable failure of Government operation of the railroads during the last Democratic administration.

This Congress set up the most elaborate system of bureaucratic dictation that has been known to the civilized world outside of Russia, and in some respects equal to that of Russia. This was done in the provisions of the Domestic Farm Allotment Act and the National Recovery Act. Under the provisions of those laws, Federal officials are empowered to put a Federal agent on every farm and in the office of every factory for the express purpose of dictating to agricultural and industrial producers conditions under which they must run their private affairs and imposing penalties of the law for disregard of bureaucratic orders.

In repudiation not only of the Democratic platform of 1932 but the Democratic platforms of the last half century, this Congress repealed the antitrust laws.

In some instances, in direct violation of the United States Constitution and in practically all instances in violation of the traditions and practices of this Republic, extending over a period of 150 years, this Congress gave to the President of the United States more power than was given to Lincoln to save the Nation or to Wilson to win the World War. It empowered him—

To increase or decrease the wages of every Government employee;

To close all the banks, or any bank, State or National, to keep them closed for any period he directs, and to fix the terms of their reopening;

To outlaw the possession by any individual, firm, or corporation of gold or gold certificates, to compel such legal tender to be delivered to the Government in exchange for whatever kind of money the Government chose to offer;

To impose taxes of unspecified amounts upon manufacturers and processors handling seven major farm products and, if necessary, competitive products;

To distribute the money thus raised as a bounty or bonus to certain agricultural producers;

To fix within certain broad limits pensions and compensation to be paid to veterans of the various wars and their dependents;

To require industries, or groups of industries, to adopt codes of practice within their industries affecting wages, maximum hours, working conditions, prices, restriction of output, and combinations;

To reject or modify such codes and to dictate substitute codes and compel industries to accept them, under penalty of being deprived of the right to continue in business, in addition to being subject to fine;

To expend in his discretion all or any part of \$3,000,000,000 in the construction of public works of whatever character he dictates and in whatever locality he selects, or to use the money in loans to cities and States for that purpose;

To expend up to \$250,000,000 in maintenance of reforestation conservation work camps;

To impose operating conditions on the railroads of the United States;

To reorganize and consolidate executive agencies of the Government; to reallocate them or to abolish them alto-

gether, forcing into idleness an untold number of employees of the agencies and activities so abolished;

To raise or lower postal rates, which gives him punitive power over the public press;

To cancel or annul existing air and ocean mail contracts;

To make public the income-tax returns of individuals in his discretion;

To compel the Federal Reserve banks to purchase up to \$3,000,000,000 in Government securities, in order to sustain the market in Government bonds;

To start the printing presses and issue \$3,000,000,000 in greenbacks; and

To debase the gold content of the dollar down to 50 per cent of its present value.

This may not be a complete list of the powers the Congress delegated to the President, but it certainly is a formidable one, even though it may be incomplete.

In delegating those powers to the President, as well as in acting upon other measures, the Congress, insofar as the House of Representatives is concerned, has been a legislative but not a deliberative body. There never has been such a travesty upon representative government as the procedure of the House of Representatives in the extraordinary session of the Seventy-third Congress. Bills were written in the executive departments of the Government, sent to the House, and ordered passed as written.

In some cases, bills have been passed before they were printed, before any copies were available even for the leaders of the House or members of the committees sponsoring them, without anyone's knowing what they contained. Those bills were passed under special rules which made of the House of Representatives merely a rubber stamp to furnish the necessary legality to the desires of the executive branch of the Government. Those rules permitted no amendments to be offered to the bills in question. But the rules were not intended to be partisan. They were not directed at the Republican minority. They were merely intended to prevent freedom of action upon the part of the House of Representatives. In point of fact, their real purpose was to prevent the Democratic majority from getting out of control and refusing to take orders from the White House. Upon one or two occasions, these rules were invoked to force through bills which the Democratic caucus had refused to support.

All this was done upon the ground that dire emergencies existed, which could not be handled except by a highly centralized authority. Haste was represented as being the essential need of the hour.

With some of the legislation the Republican minority is in sympathy. To some of it, it is vigorously and unalterably opposed upon the ground that it violates every sound economic principle as well as the letter and spirit of the Constitution, and is subversive of the institutions of this Republic. Against such legislation the Republican minority has registered its protest. Under the Democratic rules which have governed the procedure of the House, it could do nothing more.

With much of the legislation the Republican minority heartily agrees with the President that it is purely "an experiment." No time was permitted for careful analysis of or sober second thought upon that legislation. As Prof. Raymond Moley, Assistant Secretary of State and probably the closest adviser of the President, stated in a public article during the time Congress was in session:

We are conscious of the danger that there is so little time to think.

In the opinion of the Republican minority much of the legislation of this session furnishes conclusive proof the danger referred to by Professor Moley was very real.

Rather than to take time to deliberate the mass of legislation thrust upon it by the executive departments with peremptory orders to pass it without hesitation or modification, rather than live up to the solemn duty of a body elected to reflect the will of the people and embody their wishes in the statutes of the land, this Congress has permitted itself to be driven in panicky haste to affixing its approval to the

most revolutionary and far-reaching legislation ever enacted by any American Congress.

One thing, however, admits of no controversy. This Congress has dealt generously—even prodigally—with the Nation's Chief Executive. With some minor exceptions he obtained everything for which he asked—even to our adjournment. The record of the Republican minority in this Congress bears out the statement that we resorted to no captious criticism. We attempted no petty partisan obstruction. Even where we violently disagreed with the proposals before us, we registered our disagreement in a dignified and parliamentary manner, without bickering or vilification.

This extraordinary session is closing, leaving with the President unprecedented power and unparalleled funds to work out the salvation of the American people according to his own theories and strategy.

As upright American citizens whose first concern is for the welfare of their fellow countrymen and the integrity of their Nation's institutions, we all hope these experiments will prove equal to the hopes of the President who proposed them. As President Hayes stated in his inaugural address:

He serves his party best who serves his country best.

The Republican minority of this House still subscribes to that sentiment.

Whether or not the measures enacted by this Congress fulfill the hopes of those proposing them is a question which time only will determine. If they prove successful, their very success is the vindication of their wisdom. But if they fail, let it be said that they failed because they were economically unsound rather than because they were unwisely administered. The President asked for the legislation and he asked for the power to be used as a public trust, and it was in such a spirit his requests were granted. The people of this country at least have the right to demand that he use this power in the same spirit it was granted and not as a political opportunity or a partisan weapon. Great as is the power now centered in the Chief Executive, still greater is his solemn responsibility to see to it that power is not prostituted or misused. The opportunities offered in much of the legislation enacted invite the building up of a corruptible and corrupting political machine, capable of intolerable abuses and immense scandals. Already there are evidences that certain interests and individuals are preparing to take advantage of just such opportunities. The American people will not demand that the President bring about an economic millennium through the powers vested in him and the laws enacted at his request, but they do expect and have a right to demand that if he fails in his high purpose that he return those powers untainted by political corruption or partisan favoritism. They had better remain unused than to be abused.

In closing, may I venture the opinion that whatever mistakes have been committed by this Congress have been committed because of the persistent demand that we sacrifice calm judgment and due deliberation in order to make haste. And may I recall the admonition of President Lincoln in his first inaugural address, when, at a time practically all factions and all parties were clamoring for action, action, action, he stated:

Nothing valuable can be lost by taking time. If there be an object to hurry any of you in hot haste to take a step which you would never take deliberately, that object will be frustrated by taking time; but no good object can be frustrated by taking time.

TABLE A.—Summary of appropriations of first (extraordinary) session of the Seventy-third Congress

Independent Offices Appropriation Act.....	\$631,802,546
District of Columbia Appropriation Act.....	30,375,834
Third Deficiency Appropriation Act.....	994,597
Department of Agriculture:	
Agricultural Adjustment (Domestic Allotment)	
Act, sec. 12 (a), for administrative expenses....	100,000,000
Fourth Deficiency Appropriation Act:	
Farm Credit Administration, sec.	
5, Farm Credit Act, 1933:	
Revolving fund.....	\$40,000,000
Administrative expenses.....	2,000,000

TABLE A.—Summary of appropriations of first (extraordinary) session of the Seventy-third Congress—Continued

Fourth deficiency appropriation act—
Continued

Federal Trade Commission, for administration of Security Act of 1933	\$265,000
Federal Home Loan Bank Board:	
To promote local thrift (sec. 6, Home Owners' Loan Act, 1933)	150,000
Federal savings-and-loan associations (sec. 5 (g) Home Owners' Loan Act, 1933)	50,000,000
Department of Labor:	
Establishment national employment system (Wagner bill approved June 6, 1933)	1,500,000
Federal land bank (sec. 23, Emergency Farm Mortgage Act)	50,000,000
Federal land bank (sec. 24, Emergency Farm Mortgage Act)	\$15,000,000
Bank-deposit insurance (sec. 12B, par. (c), Glass banking bill)	150,000,000
Miscellaneous items	1,164,670
National Industrial Recovery and Public Works Act (sec. 220)	3,300,000,000
	\$3,610,079,670

Grand total, appropriations, 1st sess. 73d
Cong. 4,373,252,647

NOTE.—The independent offices and District of Columbia appropriations were the two regular appropriation bills left over from the short session of Congress, which adjourned March 4 last. The third deficiency appropriation consisted almost wholly of providing funds to pay court judgments and claims against the Government. The miscellaneous items of the Fourth Deficiency Act were to pay claims and judgments against the Government, provide for the George Rogers Clarke Sesquicentennial Commission, pay the expenses of the delegation of the United States at the London Economic Conference, and pay expenses of inquiries and investigations ordered by the United States Senate. All the rest of the appropriations under the Fourth Deficiency Act were to finance projects and activities inaugurated by this administration. They totaled \$3,608,915,000, to which must be added the \$100,000,000 appropriated by the Agricultural Adjustment Act for administrative expenses in carrying out the provisions of that act. This makes a grand total of \$3,708,915,000 that this special session of Congress appropriated over and above the routine expenses necessary to run the Government for the next fiscal year.

Part of the item of \$3,300,000,000 in the Fourth Deficiency Act is "earmarked" under the provisions of the act. Four hundred million dollars is set aside for Federal aid in public-highway construction. Not less than \$50,000,000 is set aside for consideration of public highways in national parks, forests, and Indian reservations. Twenty-five million dollars is set aside to be used at the discretion of the President to finance the back-to-the-land movement in an endeavor to relieve the congestion in industrial centers.

In addition, under the provisions of the Fourth Deficiency Act itself \$50,000,000 is set aside for use by the directors of the Tennessee Valley Authority (Muscle Shoals).

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn sine die.

The motion was agreed to; accordingly (at 1:22 o'clock a.m.), the first session of the Seventy-third Congress adjourned sine die.

EXECUTIVE COMMUNICATIONS, ETC.

109. Under clause 2 of rule XXIV, a letter from the Secretary of War, transmitting a report of the Chief of Engineers, pursuant to the Rivers and Harbors Act of July 3, 1930, on preliminary examination of Kalihi Harbor and Keehi Lagoon, Island of Oahu, Hawaii, entrance into Honolulu and Pearl Harbors, together with accompanying papers, was taken from the Speaker's table and referred to the Committee on Rivers and Harbors.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MALONEY of Louisiana: A bill (H.R. 6123) to provide for the survey of Bayou Sennette, in Jefferson Parish, La., with a view to maintaining an adequate channel of suitable width; to the Committee on Rivers and Harbors.

By Mr. WALDRON: A bill (H.R. 6124) authorizing the Reconstruction Finance Corporation to make loans to bona-fide institutions or individuals, for the purpose of financing agriculture, commerce, and industry; to the Committee on Banking and Currency.

By Mr. CELLER: A bill (H.R. 6125) to establish uniform requirements affecting Government contracts, and for other purposes; to the Committee on the Judiciary.

By Mr. CRAVENS: A bill (H.R. 6126) to provide for the construction of a post-office building at Fort Smith, Ark.; to the Committee on Public Buildings and Grounds.

By Mr. TINKHAM: Joint resolution (H.J.Res. 208) authorizing and directing the President of the United States to recall Norman H. Davis as chairman of the American delegation to the General Disarmament Conference with the personal rank of ambassador and as a member of the organizing committee of the Economic Conference; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin, memorializing Congress to give serious consideration to allotting for highways a larger proportion of the funds set aside for the public-works program; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Arizona, requesting Congress to, either by legislation or regulation, reinstate the time heretofore in force for allowing presumptive disability; to allow the same rules for reduction of compensation for direct service-connected disability to apply to presumptive disabilities; and to reinstate all life statutory awards for arrested tuberculosis as the same heretofore existed; to the Committee on Expenditures in the Executive Departments.

Also, memorial of the Legislature of the State of Wisconsin, relating to cost of production for farmers; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JOHNSON of West Virginia: A bill (H.R. 6127) granting Distinguished Service Cross to Acors Rathbun Thompson; to the Committee on Military Affairs.

By Mrs. ROGERS of Massachusetts: A bill (H.R. 6128) to correct the naval record of Joseph Horace Albion Normandin; to the Committee on Naval Affairs.

By Mr. TRAEGER: A bill (H.R. 6129) for the relief of Edna M. Callahan and Anna Scott; to the Committee on Claims.

By Mr. PATMAN: A bill (H.R. 6130) to prevent misrepresentation and deception in the sale of milk and cream in the District of Columbia; to the Committee on the District of Columbia.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1387. By Mr. CARTER of California: Petition of H. J. Walters, James L. Mills, and 65 other residents of Oakland, Calif., urging the passage of a general manufacturers tax; to the Committee on Ways and Means.

1388. Also, petition of Carl Hanson, R. E. Hussey, and 15 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1389. Also, petition of Arthur D. Lambie, Jessie V. Rudolf, D. L. Black, and 50 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1390. Also, petition of C. S. McGeorge, W. A. Triebe, G. Anderson, and 30 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1391. Also, petition of Edward F. Berlin, W. H. McKelvey, and nine other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1392. Also, petition of C. L. McNulty, Philip Bradshaw, and 20 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1393. Also, petition of Robert L. Miller, Maynard Church, and 50 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1394. Also, petition of George J. Luttrell, A. C. McCurrie, and 30 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1395. Also, petition of John Milne, Herbert W. French, and 20 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1396. Also, petition of Mrs. Earl Christiansen, Mrs. D. M. McCarthy, and 40 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1397. Also, petition of J. A. Sutton, Earl Hunter, T. B. Bridges, and 20 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1398. Also, petition of Rev. James E. Jackson, W. R. Forsey, and 30 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1399. Also, petition of M. G. Lowry, R. L. McMahon, A. E. Castro, and 60 other residents of Oakland, Calif., protesting the action of the President in cutting down and taking away the pensions of the Spanish-American War veterans and urging that the President restore these pensions; to the Committee on Pensions.

1400. Also, petition of J. A. Young, E. M. Lamd, Mrs. B. Johnstone, and 20 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them and their dependents; to the Committee on Pensions.

1401. Also, petition of C. J. Hogan and 1,800 other residents of Oakland, Calif., urging that the pensions cut down and taken away from the Spanish War veterans by the Economy Act be restored to them; to the Committee on Pensions.

1402. By Mr. SUTPHIN: Petition of Ancient Order of Hibernians of America, Middlesex County Board, opposing reduction or cancelation of foreign war debts; to the Committee on Foreign Affairs.

1403. By the SPEAKER: Petition of the city of Chicago, re the construction of highways in the greater Chicago metropolitan region; to the Committee on Roads.

